Indian and Northern Affairs Canada
Affaires indiennes et du Nord Canada

Assisted Living Program

National Manual

Canada

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Published under the authority of the
Minister of Indian Affairs and
Northern Development
Ottawa, 2004
www.ainc-inac.gc.ca
1-800-567-9604
TTY only 1-866-553-0554

QS-7059-000-BB-A1
Catalogue No. R2-330/2004
ISBN 0-662-68177-0

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Services Canada

Cette publication peut aussi être obtenue
en français sous le titre: Programme d'aide à la vie autonome

105-07207/

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Introduction

0.0.1. Welcome to the *Assisted Living Program – National Standards and Guidelines Manual*. The Assisted Living (formerly Adult Care) Program for First Nations is managed nationally by Indian and Northern Affairs Canada (INAC). The program, through various kinds of funding arrangements, provides social support services to eligible people living on reserves across Canada.

0.1 Purpose of the Manual

0.1.1. This manual sets out national standards and guidelines for assisted living programs for those living on reserves across Canada. The manual is intended to be a guide to help INAC regional program staff develop and operate regional assisted living programs. **This manual was developed in consultation with INAC regions, the Assembly of First Nations and First Nation communities.**

0.1.2. The manual is also intended to be a teaching document for new staff at both the national and regional levels.

0.2 Intended Audience

0.2.1 The primary intended users of the manual are regional INAC and First Nation staff responsible for regional assisted living programs. However, the manual may also be useful to the following:

- national Assisted Living Program staff
- First Nation Chiefs and Councils
- First Nation advocates
- social assistance and health care agencies
- provincial assisted living program authorities
- other interested members of the public

0.2.2 This manual, once approved, is intended to be a public document. It may be copied and distributed without restrictions.

0.3 What the Manual Covers

0.3.1 **Definitions** – defines key terms used throughout the manual.

0.3.2 **Chapter 1, Backgrounder** – covers important information on the history and development of the program, such as key program milestones, program authorities, the legal position of the program, the principles on which the program is based, program objectives, and the roles and responsibilities of those who administer the program.

0.3.3 **Chapter 2, Program Components** – covers the main areas of the Assisted Living Program, including in-home care (which is complemented by Health Canada's Home and Community Care Program), foster care and institutional care Types I and II.

0.3.4 **Chapter 3, Funding Arrangements** – covers both Comprehensive Funding Arrangements (CFAs) and Canada/First Nation Funding Agreements (CFNFAs).

0.3.5 **Chapter 4, Financial Administration** – covers the specific requirements of the *Financial Administration Act* and the Treasury Board cash management policy that have a direct impact on managing the program.

0.3.6 **Chapter 5, Reporting and Compliance** – covers the measures required to demonstrate that the terms and conditions of agreements have been met and that INAC is paying for services that are within its authority. This chapter also sets out national reporting requirements.

0.3.7 **Chapter 6, Future Directions** – covers long-term care, quality care and integration of health and social programs.

0.3.8 **Annexes** – includes resource information and links, information on the Disabilities Initiative and the Social Development Program Management Infrastructure Initiative, and a list of communities whose residents are considered ordinarily resident on a reserve.

0.4 Relationship to Regional Manuals

0.4.1 This manual provides a national framework for the Assisted Living Program. It covers the broad standards and guidelines within which each INAC regional program must operate. It sets broad national standards and guidelines, while also providing sufficient flexibility to

accommodate most regional variations and practices. Each region's implementation of provincial or territorial standards and practices is subject to the availability of resources.

Regions will need to develop their own regional manuals to interpret these national standards and guidelines within the context of their province or territory. Much of the procedural detail that regional staff will need to know to administer their programs will be found in the regional manuals rather than in this national manual.

0.5 Regional Exceptions

0.5.1 Ontario, Alberta and the Yukon have unique funding arrangements with INAC as a result of federal/provincial agreements.

0.5.2 **Ontario** – In Ontario, INAC provides funding under the 1965 Canada/Ontario *Memorandum of Agreement Respecting Welfare Programs for Indians*, with INAC providing the municipal share of 20 percent to First Nations, and Ontario providing the provincial share of 80 percent to First Nations. Ontario invoices INAC for the provincial share according to the provisions of the 1965 agreement.

0.5.3 The in-home care component of the Assisted Living Program is cost-sharable under the 1965 Canada/Ontario *Memorandum of Agreement Respecting Welfare Programs for Indians*. For this reason, in Ontario provincial standards and practices apply to the in-home care component.

0.5.4 **Alberta** – The 1991 *Arrangement for the Funding and Administration of Social Services* signed between Canada and Alberta clarifies respective roles and responsibilities for funding and administering social services for status Indians on and off reserves. This agreement defines "ordinarily resident on a reserve" and defines eligible services. The agreement allows Canada to fund either the province or the First Nation directly for social services.

0.5.5 **Yukon** – In the Yukon, INAC is responsible for status Indians and the territory is responsible for Yukoners who are non-status Indians. The Government of the Yukon and INAC have a financial arrangement that confirms the process and responsibilities of the parties in providing and funding adult services to status Indians. The arrangement also establishes a mechanism for billing and paying for services.

0.6 Revision Process

0.6.1 As the Assisted Living Program evolves (see Chapter 6 – *Future Directions*), changes to the manual will be required from time to time. As changes are made, the manual will be updated and reissued with the collaboration of the regions and First Nations communities.

0.6.2 Print copies of this manual may not be up to date. Only the online version of the manual located on INAC's Web site should be considered current. If in doubt, refer to the online manual.

Definitions

Note: The definitions contained in this glossary apply only to the Assisted Living Program.

Aboriginal peoples – The descendants of the original inhabitants of North America. The Canadian Constitution recognizes three groups of Aboriginal peoples: Indians, Inuit and Métis. These are three separate peoples with unique heritages, languages, cultural practices and spiritual beliefs.

Aboriginal self-government – Governments designed, established and administered by Aboriginal peoples.

Adult Care Program – Former name of the Assisted Living Program.

Age of majority – The age at which a person is considered to be an adult under the law of the relevant province or territory.

Agency – An authority, board, committee or other entity or, in the case of a tribal council, a member First Nation, authorized to act on behalf of the council.

Alternative Funding Arrangement (AFA) – Funding authority under which an eligible recipient receives multi-year funding in the form of a fixed allocation.

Assisted Living Program – Program to provide social support services to clients who require some type of assistance with their daily activities. Formerly called the Adult Care Program.

Band – A body of Indians as defined in the *Indian Act*.

Band list – A list of persons that is maintained under Section 8 of the *Indian Act* by a band or by INAC.

Canada/First Nations Funding Agreement (CFNFA) – A block-funded agreement that INAC enters into with a First Nation for up to five years. It can also include funding from other federal departments.

Capital – Funding to identify, plan, design, construct, renovate or purchase assets for education, housing or community infrastructure purposes, where the assets have a useful life of more than one year and are not held for re-sale. Capital is not part of the Assisted Living authorities.

Cash Management Policy – Section 7.6 of the *Treasury Board Policy on Transfer Payments*. A federal Treasury Board policy covering the disbursement of government funds. The authority for this policy comes from the *Financial Administration Act*.

Catchment area – The geographic area for which a recipient has been mandated to provide a program or service.

Chief and Council – The leadership of a band as defined in the *Indian Act*.

Child – A person under the age of majority in the relevant province or territory, including a legally adopted child and a child adopted according to First Nation custom.

Compliance review – A review of the administration, operations and expenditures of a program administered by a recipient to ensure that the program is delivered according to INAC's policies and Treasury Board and Cabinet authorities.

Comprehensive Funding Arrangement (CFA) – A one-year funding arrangement with an eligible recipient containing programs funded by contributions, flexible transfer payments or grants, where applicable.

Continuing care – The range of holistic medical and social services for those who do not have, or who have lost, some capacity to care for themselves.

Continuum of care - Continuing care services that range from home care and progress through a continuum up to the more intensive levels of care normally associated with institutional care, including palliative care.

Contribution authority – A conditional transfer payment for a specified purpose that is subject to being accounted for or audited to determine that it adheres to the terms and conditions of payment. Unexpended balances or disallowed expenditures are reimbursed to the Crown.

Delivery standards – In relation to a Canada/First Nations Funding Agreement (CFNFA), the minimum standards or requirements set out by a federal department in its schedule to the CFNFA.

Dependant – A person who relies on a *final recipient* for financial support, usually children, elderly parents, a spouse or a disabled family member.

DIAND – Department of Indian Affairs and Northern Development (also referred to as Indian and Northern Affairs Canada—INAC).

Disabilities Initiative – An INAC initiative to fund projects to improve the coordination and accessibility of existing disability programs and services on reserves, such as advocacy, public awareness and regional workshops.

Family – Please refer to provincial definition.

Family violence – A broad concept that includes the abuse of children, youth, spouses and elders. It includes physical assault, intimidation, mental or emotional abuse, sexual abuse, neglect, deprivation and financial exploitation.

Final recipient – A person who ultimately receives program services or funds. See also *recipient*.

Financial Administration Act – Federal legislation covering the financial administration of the Government of Canada, establishment and maintenance of the accounts of Canada, and the control of Crown corporations.

First Nation – A band within the meaning of the *Indian Act*. May also refer to a collection of bands.

Fiscal year – For INAC, the one-year period beginning on April 1st of one calendar year and ending the following March 31st.

Flexible transfer payment (FTP) –A conditional transfer payment made for a specified purpose where a fixed amount of funds is allocated to a Recipient, usually on the basis of a pre-determined formula. Recipients are expected to manage within the fixed amount. Recipients may keep unspent balances as long as the program terms and conditions have been fulfilled. Surpluses must be spent in an approved manner. Deficits are the responsibility of the recipient.

Funding agreement – A contractual agreement signed by INAC and the funding recipient. For the purposes of this manual, this can be either a Canada/First Nations Funding Agreement (CFNFA) or a Comprehensive Funding Arrangement (CFA). The terms *funding agreement* and *funding arrangement* are used interchangeably.

Funding authority – The rules established by Treasury Board that INAC must follow when funding a program.

Grant authority – A transfer payment according to the eligible terms and conditions.

Home support – Component of the Assisted Living Program providing homemaker services to help people with their daily activities, thereby contributing to their independence and to their ability to remain in their homes.

INAC – Indian and Northern Affairs Canada (also referred to as Department of Indian Affairs and Northern Development—DIAND).

Income assistance A needs-tested, last resort system of income support administered by First Nations and INAC; previously referred to as social assistance.

Indian – "Indian" means a person who, pursuant to the Indian Act (R.S., 1985, c. I-6, s. 2), is registered as an Indian or is entitled to be registered as an Indian.

Indian band – A body of Indians as defined in the *Indian Act*. Also referred to as a *First Nation*.

Indicators – Statistics that show how well a program or service is faring.

Institutional care – Care provided in a group facility such as a personal care home.

Inuit – An Aboriginal people in northern Canada, who live above the tree line in the Northwest Territories, and in Northern Quebec and Labrador. The word means *people* in the Inuit language.

Member of a band – A person registered as an *Indian* within the meaning of the *Indian Act* and whose name appears on the band list or who is entitled to have his or her name appear on a band list.

Memorandum of Understanding (MOU) – A formal document committing two or more parties to an undertaking. It sets out its general principles, but falls short of being a legally enforceable detailed contract or agreement.

Memorandum to Cabinet (MC) – A proposal addressed to Cabinet seeking to obtain or change policy authorities for operating programs or services.

Monthly expenditure plan – A statement setting out and distributing the annual budget for programs and services according to the recipient's estimated monthly cash requirement. This plan is attached to the funding arrangement.

Ordinarily Resident on Reserve – Refers to individuals who, although they may be absent for a period of time for purposes related to education, health or other services of a temporary nature unavailable on reserve, maintain their primary residence on reserve. For a more complete description, see *Ordinarily Resident on Reserve* in Chapter 2.

Policy authority – General policy authority obtained from Cabinet by submitting a Memorandum to Cabinet (MC) that provides instructions and advises on what has been authorized. See also *funding authority*.

Program authorities – Treasury Board decisions that govern a program.

Recipient – An entity, usually a First Nation Chief and Council, that receives funding for programs or services it administers on behalf of *final recipients*.

Reference province or territory – The province or territory within which a specified recipient is located.

Reserve – A tract of land, the legal title to which is vested in Her Majesty, that has been set apart for the use and benefit of a band, as defined in the *Indian Act*.

Social Development Program Management Infrastructure Initiative (SDPMI) – INAC program that identifies models of effective management and accountability for social development programs that will lead to more effective, cost-efficient and accountable social development programming on reserves.

Stacking provisions – Provisions within a funding agreement that address duplicate sources of program funding.

Surplus – The amount by which funds, provided by the Minister and other sources, exceed eligible expenditures after the recipient has fulfilled all program terms and conditions.

Third-party delivery – An agreement between a recipient and another party, such as an authority, board, committee or other entity authorized to act on behalf of the recipient, delegating authority or transferring program funding.

Transfer payments – Payments made from budgetary appropriations for which the Crown receives no goods or services.

Tribal council – An organization established by a number of First Nations with common interests who voluntarily join together to provide advisory or program services to member First Nations.

1 Backgrounder

1.1 About Continuing Care

1.1.1 Continuing care refers to the range of holistic medical and social services for those who do not have, or who have lost, some capacity to care for themselves. These services often begin in the home and progress through a continuum up to the more intensive levels of care normally associated with institutional care. *Assisted Living* is one part of that continuum. It refers to social support services provided to clients who require some type of help with their daily activities. A complementary part of the continuum is the First Nations and Inuit Home and Community Care Program delivered by Health Canada.

1.1.2 Over the past decade or longer, provinces and territories have developed continuing care programs to meet the needs of an aging population. The national trend is towards providing better care in the home, whether that care be in the form of medical care or social support, thereby reducing the need for high-end care in institutional facilities.

Need for Continuing Care

1.1.3 Although the First Nation population is much younger than the aging non-First Nation population of Canada, there is a gap of about five to seven years between the life expectancy of First Nation people and that of the general Canadian population. The prevalence of chronic conditions, such as the following, is significantly higher among First Nation populations than among the general population:

- Type II diabetes
- HIV/AIDS
- Fetal Alcohol Syndrome and Fetal Alcohol Effects
- cardiovascular disease
- arthritis

1.1.4 Further, many of these health problems start at a younger age, are more chronic and are more widespread than they are among the non-First Nation population. For these reasons, there is an equal if not greater need for continuing care services among First Nation populations.

1.1.5 First Nations have expressed an interest in having continuing care services available on reserves. However, they are challenged by the following factors:

- the remoteness of many First Nation communities
- the limited availability of health care services on or near certain reserves
- the gaps in services due to unresolved jurisdictional issues either between the federal and provincial levels of government or at the federal level between various government departments

A number of initiatives are underway to overcome these challenges (see Chapter 6 – *Future Directions*) and to resolve issues between departments at the national level, between the federal and provincial governments, and at the regional level.

1.2 History

1.2.1 INAC's Assisted Living (formerly Adult Care) Program, along with Health Canada's First Nations and Inuit Home and Community Care Program, forms the basis of continuing care services offered on reserves.

1.2.2 The Assisted Living Program has evolved at the regional level over the last four decades, in the absence of a national policy framework. From the 1960s onward, the federal government has intervened in order to prevent undue hardship and suffering of people who require specialized services to maintain their independence in their daily activities. Provincial services, for the most part, included various forms of care for aged and dependant adults.

1.2.3 The Assisted Living Program was part of the federal government's general policy to provide First Nations on reserves with access to some services reasonably comparable to services provided by the provinces and territories to other Canadians. It came into existence in 1981-1982. The program developed in each region as demand for services and availability of resources changed.

Memorandum of Understanding

1.2.4 A 1984 Memorandum of Understanding (MOU) between INAC and Health Canada set out the respective areas of responsibility for each department. Through this MOU, INAC took on limited responsibility for non-medical institutional care (Types I and II levels of care) on

reserves. This MOU will likely be revisited as INAC formalizes integration of services with other government departments.

Inventory Analysis

1.2.5 In 1987, INAC performed an inventory analysis on the existing Adult Care Program. However, because of a lack of information on needs and the lack of a comprehensive program policy and necessary authorities, INAC was unable to expand adult care services at that time. Instead, a model for continuing care delivery with Health Canada was proposed.

Joint Working Group

1.2.6 In 1988, restrictions were imposed on constructing new residential care facilities on reserves because of escalating costs and INAC's unclear authorities in that area. The restrictions were intended to be temporary until a national policy framework was put into place. Since 2000, INAC has agreed to approve the construction of new facilities under the following conditions:

- construction of the facility will not require a Ministerial Loan Guarantee
- the facility will operate within provincially established rates for Types I and II levels of care, for which INAC has authority
- where required, Types III, IV and V care will be provided by another authority (provincial, territorial or regional health authority)
- the facility will be economically viable (for example, projected bed demand and funding partnerships will be specified)
- the facility will be licensed and/or recognized and monitored by a recognized authority (province, territory or other licensing or recognition body)
- operational funding must be available within existing regional allocations

1.2.7 To counter the effect of the restrictions, INAC increased the availability of in-home support resources. In a further effort to address these issues, a joint Health Canada/INAC Adult Care working group was established in 1989. This working group supported developing a comprehensive community-based continuing care program.

1.2.8 The joint working group concluded that "significant gaps exist in the availability of community support programs in most communities" and "the lack of a specific authority for adult care services…has

discouraged the development of a comprehensive federal policy framework (and contributed to) unclear departmental responsibilities, lack of a program structure, fragmented service development and inconsistent standards."

Joint Study

1.2.9 The joint Health Canada/INAC study *National Summary: First Nations Continuing Care Services and Issues, May 16, 1997*, again concluded that there were serious gaps in many of the services. These gaps included:

- personal care, respite care, meals on wheels and volunteer services to complement the basic housekeeping and homemaking services existing under band or tribal council administration
- alternatives to institutional care such as adult group homes, adult day care, adult foster care and integrated residential in-home care services

1.2.10 The study concluded that most First Nation clients on reserves did not have access to the same scope and quality of in-home care services as those offered by provincial or territorial programs. Further, regional funding levels were inadequate to meet the existing needs of First Nation clients on reserves.

1.3 Home and Community Care Program

1.3.1 The First Nations and Inuit Home and Community Care (HCC) Program was announced in 1999. It was implemented over the following three years. Health Canada created the program to provide core elements of a home care program, building on INAC's in-home support services, for the following:

- the elderly
- people with disabilities
- the chronically ill
- those requiring short-term acute care replacement services

1.3.2 **Recipients** – Eligible recipients of the HCC Program are First Nations peoples and Inuit of any age who meet all of the following criteria:

- live on an Inuit settlement, First Nation reserve or First Nation community north of 60 degrees latitude

- have undergone a formal assessment of their continuing care service needs and have been assessed that they require one or more of the essential services
- have access to services that can be provided with reasonable safety to the client and caregiver, within established standards, policies and regulations for service practice

1.3.3 The HCC Program does not fund the construction of facilities or delivery of long-term care institutional services and does not duplicate funding for existing Assisted Living services on reserves. It incorporates Health Canada's existing home care nursing resources available through the Building Healthy Communities initiative and builds on INAC's Assisted Living Program.

1.3.4 **Program Services** – The HCC Program provides three main services: home support, nursing and community support. The following table shows these main services as well as the main components of the Assisted Living Program (for more information on the Assisted Living components, see Chapter 2 – *Program Components*).

Home and Community Care Program (HCC)	Assisted Living Program
Home support – provides medical personal care (for example, wound bandaging).	In-home care – provides non-medical personal care (for example, washing hair, preparing meals and housekeeping).
Nursing – provides nursing care (for example, administering medications and changing IVs).	Foster care – provides supervision and care in a family setting.
Community support – includes a process evaluating how the HCC Program is functioning.	Institutional care – provides services in Type I and II institutions.

1.3.5 The HCC Program offers the following services:

- client assessment and care planning
- case management
- personal care provided by trained personnel
- home nursing
- in-home respite care
- a system or process in place to access medical equipment and supplies

- program linkages with health and social services both internal and external to the community
- a client record and data system

1.3.6 These services are provided mainly by registered nurses, licensed practical nurses and certified home health aids or personal care workers at the community level. The home health aids and personal care workers must be supervised by registered nurses.

1.3.7 As of January 2004, 683 out of 698 communities have received funds for the HCC Program. Only 2.5 percent of the communities eligible for funding did not take advantage of the program, mainly because of geographic isolation and community size.

1.4 Jurisdictional Issues

1.4.1 INAC's Assisted Living Program includes the authority to fund in-home supportive care, foster care and institutional care up to Type II (non-medical) level, according to the federal classification system. (For more information on these components of the Assisted Living Program, see Chapter 2 – *Program Components*.) Health Canada's mandate for nursing or medical care extends to the home only and does not include providing higher levels of care or providing Home and Community Care (HCC) Program services in institutions.

1.4.2 Canada takes the view that health services are an area of provincial jurisdiction and are supposed to be covered by the provinces or territories, which are funded on a per capita basis through Canada Health and Social Transfers (CHSTs). Provinces and territories, for the most part, have not provided these services on reserves.

1.4.3 This leaves serious gaps in providing services, particularly in providing higher levels of care in institutional settings because, for the most part, neither Health Canada, INAC nor the provinces or territories deliver these services. These 'higher levels of care' refer to care outside the home and hospital.

1.4.4 Consequently, First Nation people requiring higher levels of care have had to leave their communities and seek care in provincial or private institutions off reserves. This is an unacceptable solution for most First Nation people, given the isolation from family support systems that this creates and the lack of culturally specific services. In some situations, First Nation clients choose to remain in their communities, where the

level of care they require is not available. Alternatively, the institutions where they live simply provide the higher levels of care outside funding authorities for both INAC and Health Canada, with possible resulting risks to health and safety and ensuing liability risks in some cases.

1.4.5 Initiatives to address long-term care needs are underway (see Chapter 6 – *Future Directions*).

1.5 Authorities

Process

1.5.1 The Assisted Living Program is provided under separate policy authority and funding authority. These authorities are derived through the following process.

1.5.2 **Policy Authority** – General program authorities come from Cabinet through submitting a Memorandum to Cabinet (MC). The MC is either funded (within current allocations) or unfunded (new money required). The Memorandum requests general permission to start or continue certain practices and outlines the broad terms and conditions under which the program will operate. If Cabinet agrees, a letter is issued giving INAC instructions and advising on what has been authorized. This then becomes the *policy authority*.

1.5.3 **Funding Authority** – Once Cabinet has agreed to the general parameters of the program, a submission is prepared and submitted to Treasury Board. This submission is more specific and outlines how the money is to be spent if it is a funded proposal. If it is an unfunded proposal, it seeks new money from Treasury Board to start the new programming that has previously been approved by Cabinet. If Treasury Board approves, new money is provided to deliver the program. If Treasury Board does not approve, the authority remains for that aspect of the program, previously approved by Cabinet, but it may not be implemented. It becomes or remains an unfunded program. The letter of decision from Treasury Board, then, becomes the program *funding authority*.

Current Funding Authority

1.5.4 The current Assisted Living funding authority was issued by Treasury Board in September 2003 and is subject to renewal by March 31, 2006. The authority is explained in the following:

- Terms and Conditions: *Contributions to provide income support to indigent on-reserve residents*
- Terms and Conditions: *Grants to provide income support to indigent on-reserve residents*

1.5.5 The authorities issued by Treasury Board in September 2003 were in the form of a funded submission. This means that the changes requested and approved are to be managed from within the current allocation. If they cannot be managed from within the current allocation, they will have to be deferred until resources are available in the future.

Previous Authorities

1.5.6 No specific policy authority existed for the Assisted Living Program until 2001. Over the years, a number of federal authorities were granted to INAC with respect to delivering social services to First Nation people, with direct implication for the Assisted Living Program.

1.6 Legal Position

1.6.1 Section 91(24) of the *Constitution Act* empowers Canada to enact legislation with respect to Indians and lands reserved for Indians.

1.6.2 Section 92 of the *Constitution Act* empowers the provincial governments to provide Assisted Living programs and services.

1.6.3 Section 88 of the *Indian Act* states that laws of general application apply on reserves unless and to the extent that such laws conflict with the *Indian Act* or the terms of any treaty. Accordingly, under Section 88, First Nation persons on reserves fall under the assisted living legislation of the reference province or territory because these are laws of general application.

1.6.4 *"88. Subject to the terms of any treaty and any other Act of Parliament, all laws of general application from time to time in force in any province are applicable to and in the respect of Indians in the province, except to the extent that those laws are inconsistent with this Act or any order, rule, regulation or by-law made thereunder, and*

except to the extent that those laws make provision for any matter for which provision is made by or under this Act."

1.7 Program Principles

1.7.1 Historically, the government of Canada has provided social support services on reserves as a matter of policy, not as a matter of legal or other obligation.

1.7.2 INAC has adopted the following general principles in its approach to social policy:

- delivery of Assisted Living programs and services at standards reasonably comparable with programs and services offered by the reference province or territory of residence
- final recipients of Assisted Living programs and services must be ordinarily resident on reserve (for more information, see *Ordinarily Resident on a Reserve* in Chapter 2 – *Program Components*)

1.8 Program Objectives

1.8.1 The objective of the Assisted Living Program is to provide non-medical social support programs that meet the special needs of infirm, chronically ill and disabled people at standards reasonably comparable to the reference province or territory of residence.

1.8.2 The anticipated results of the program are to:

- alleviate hardship
- maintain functional independence on reserves to standards of the reference province or territory
- encourage greater self-sufficiency for First Nation individuals and communities

1.8.3 The program provides social support and assistance in their daily activities, allowing these people to remain at home and in their community whenever possible. When providing services at home is not feasible and institutional care is needed, the Assisted Living Program may fund non-medical care for people in designated facilities if necessary up to Type II (for more information, see Chapter 2 – *Program Components*).

1.9 Roles and Responsibilities

1.9.1 Managing the Assisted Living Program depends on a clear understanding of the roles and responsibilities of the various parties, which include INAC headquarters, INAC regions, First Nation recipients and provinces or territories.

INAC Headquarters

1.9.2 INAC headquarters has the following roles and responsibilities:

- work in partnership with First Nations and provide leadership in developing national policy, including leadership in integrated developing integration between all partners
- work cooperatively with First Nations, move forward on proposals for change coming from regional representatives and First Nation service providers
- oversee national program issues and help regions and First Nations find solutions to problems arising in the regions
- work in partnership with First Nations and provide leadership in identifying indicators and data collection needs and in analyzing data
- interpret national policy and help regions clarify policy for recipients and provinces or territories
- work in partnership with First Nations, Health Canada and provinces or territories, where applicable, on implementing First Nations Assisted Living standards of practice and service
- work in partnership with Health Canada on integrating activities
- create and maintain the national manual
- participate in developing regional manuals
- through the regions, provide funding for recipients on behalf of people ordinarily resident on reserve
- provide external evaluation
- work with First Nations and other federal government partners on reviewing authorities

INAC Regions

1.9.3 INAC regions have the following roles and responsibilities:

- oversee regional program issues and help First Nations find solutions to problems arising in the regions
- clarify policy for recipients and provinces or territories

- in collaboration with First Nations, provide leadership in identifying indicators and data collection needs, in collecting data and in ensuring that reporting takes place in an orderly fashion
- provide funding and enter into and monitor appropriate financial arrangements with First Nations and other parties to help implement and maintain the Assisted Living Program
- interface with recipients, Chiefs and Councils, INAC headquarters and provinces or territories
- work in partnership with Health Canada and provinces or territories on integrating activities
- manage the program and funding on behalf of Canada and ensure that authorities are adhered to
- ensure that the program is operating according to authorities and Canada's financial management requirements
- in collaboration with First Nations and INAC headquarters, develop a regional manual
- inform INAC headquarters on issues that could potentially affect national policy and advise of any changes to provincial or territorial legislation
- provide various technical and professional supports to First Nations receive and analyze financial and performance reports submitted by First Nations

Recipients

1.9.4 Recipients (usually a First Nation's Chief and Council) have the following roles and responsibilities:

- administer the Assisted Living Program according to provincial legislation and standards while adhering to INAC authorities for Assisted Living (**Note:** Self-governing First Nations only adhere to provincial legislation and standards and not to INAC authorities, unless stated in the implementation agreement.)
- plan and ensure delivery of Assisted Living services
- provide input on policy development
- monitor and maintain the delivery of quality-care services
- be accountable to First Nation citizens and the federal government for performance
- access various technical and professional supports that cannot be provided through the internal resources of the community
- work in partnership with the federal government on developing and maintaining appropriate First Nations Assisted Living standards of practice and service

- report in a timely manner on costs and activities as defined in the reporting requirements and, in the case of contributions, adhere to the terms and conditions of agreements
- maintain records on their operations as required in agreements, and involve INAC regions and the host province or territory in issues as they arise
- involve the communities within their respective catchment areas so that services may be provided as transparently as possible within provincial legislation and standards
- participate in developing a regional manual

Provinces and Territories

1.9.5 Provinces and territories have the following roles and responsibilities:

- license and/or recognize and monitor care facilities, including on reserves
- provide funding for higher levels of care in institutions on and off reserves
- set program rates and standards

2 Program Components

2.0.1 INAC's Assisted Living Program includes three main components: in-home care, foster care and institutional care. INAC covers costs for provincial or territorial levels of care that correspond to the federal definitions for Type I and II care. This chapter provides the federal definitions for Type I and II levels of care. It also describes the Assisted Living Program components in more detail. For information on the Disabilities Initiative and the Social Development Program Management Infrastructure Initiative, which are considered non-core funding, see Annex B and Annex C.

2.0.2 This chapter also describes the requirements that *recipients* (usually a First Nation's Chief and Council) and *final recipients* (the people who ultimately receive program services or funds) must meet to be eligible for funding for Assisted Living programs and services under either the contribution or grant authority. For more information on these authorities, see Chapter 3 – *Funding Arrangements*.

2.1 General Eligibility Requirements

2.1.1 To be eligible for funding, recipients must demonstrate that final recipients meet the following criteria:

- must be ordinarily resident on reserve, except reserve lands that have been designated for commercial leasing (see *Ordinarily Resident on Reserve*)
- must be formally assessed by designated social or health professionals as requiring one or more of the designated essential services identified in the comparable provincial or territorial programs, using the care assessment criteria of the relevant province or territory
- must be people who do not have the resources to obtain such services themselves and who do not have access to other federal, provincial or territorial sources of support, as confirmed by an assessment covering the following:
  - family composition and age
  - financial resources available to the household (household as defined by the province)

- in the case of children, must be formally assessed as needing such services, but only in cases where the responsibility for funding and providing such services does not lie with other agencies or programs

2.2 In-home Care

2.2.1 The in-home care component provides financial assistance for non-medical personal care services. These services may include the following:

- meal programs and meal preparation
- menu planning
- day programs
- attendant care
- short-term respite care (as defined by the province or territory)
- group care
- light housekeeping
- laundry
- ironing
- mending
- carrying water
- carrying wood
- home management (light and heavy cleaning)
- minor home maintenance (for example, fixing a door knob or attaching a railing along stairs)
- non-medical transportation

Eligibility Requirements for In-Home Care

2.2.2 Before actual expenses relating to in-home care services may be reimbursed under the contribution authority, recipients must demonstrate that they meet the following criteria:

- they have established program guidelines for delivering Assisted Living programs and services, which refer to program guidelines and provincial or territorial programs, standards and guidelines
- they have established management and accountability guidelines
- they have supporting documentation relating to past program delivery

2.2.3 If the recipient is a new provider, at least the first two criteria above must be met.

2.3 Foster Care

2.3.1 The Assisted Living foster care component provides supervision and care in a family-like setting to people who are unable to live on their own due to physical or psychological limitations, but who do not need constant medical attention. This service represents a viable alternative to institutional care in circumstances where constant medical care is not required on site.

Eligibility Requirements for Foster Care

2.3.2 Before actual expenses for Assisted Living foster care services may be reimbursed under the contribution or grant authority, recipients must verify that the foster home can demonstrate the following:

- that it operates according to the licensing and/or recognition or accreditation guidelines of the relevant province or territory
- that it conforms with provincial or territorial per diem rates

2.4 Institutional Care Types I and II

2.4.1 INAC has limited responsibility for non-medical, Types I and II levels of care in institutions that are operated according to provincial or territorial laws and standards both on and off reserves. These levels of care are defined in the federal classification system for institutional care (see *Definitions of Levels of Care* earlier in this chapter).

2.4.2 INAC may fund the per diem portion of institutional care. Final recipients in an institution are expected to pay the provincial or territorial government established co-insurance or user fee for care and maintenance and clothing and personal expenses to the extent they are financially able to.

2.4.3 The following may be funded:

- standard accommodation
- meals, including therapeutic diets
- food
- laundry
- necessary emergency and routine treatment supplies
- skilled care with professional supervision as needed and a planned program of social and recreational activities
- clothing
- special diets

- age allowance
- personal living allowance
- guide dogs in any of the following:
  - foster homes
  - Types I and II personal care homes on reserves
  - Types I and II care facilities off reserves

Eligibility Requirements for Institutional Care

2.4.4 Before actual expenses for institutional care services may be reimbursed under the contribution or grant authority, recipients must verify that the care facility can demonstrate the following:

- that it operates according to the licensing and/or recognition or accreditation guidelines of the relevant province or territory
- that the care services for which the care facility is invoicing do not exceed Types I and II levels of care

Licensing and/or Recognition

2.4.5 Licensing and/or recognition ensures that facilities offer quality care, within standards set by provincial authorities and that professionals administering in-home or other types of programs are qualified to do so. Licensing and/or recognition also addresses the issue of liability by ensuring that clients receiving the services are protected by an authoritative body.

2.4.6 Licensing and/or recognition of on-reserve facilities also creates the conditions within which provinces and territories are willing to assume costs for higher levels of care.

Referral and Assessment

2.4.7 A number of sources, including the following, may refer final recipient to an institution through the Assisted Living Program:

- the final recipient
- a friend or relative
- health-related programs (for example, Home and Community Care Program, Ministry of Health, etc.)
- an acute care, rehabilitation or psychiatric hospital
- a First Nation social development worker
- other health or social service professional

2.4.8 An initial placement authorization is completed to document the care and rehabilitation program and related costs. The placement is assessed by qualified professionals (who are qualified or licensed by the appropriate provincial body).

2.5 Definitions of Levels of Care

2.5.1 INAC has authority to provide non-medical, Types I and II levels of care on reserves (as defined in the federal classification system for institutional care).

2.5.2 **Type I** – This level of care identifies people who:

- are able to walk and/or are independently mobile
- have decreased physical and/or mental faculties
- require primarily supervision and/or assistance with their daily activities, and provision for meeting psycho-social needs through social and recreational services

2.5.3 The period of time during which care is required is indeterminate and related to the individual condition. A person recognized as needing Type I care would not normally be admitted to a residential care facility.

2.5.4 **Type II** – This level of care identifies people who:

- have a relatively stabilized (physical or mental) chronic disease or functional disability
- have reached the apparent limit of their recovery and are not likely to change in the near future
- have relatively little need for the diagnostic and therapeutic services of a hospital, but who need the availability of personal care on a 24-hour basis, with medical and professional nursing supervision and provision for meeting psycho-social needs

2.5.5 The period of time during which care is required is unpredictable, but usually covers months or years.

3 Funding Arrangements

3.1 Overview of Funding Arrangements

3.1.1 INAC has developed two types of generic funding arrangements for use with First Nations that have not entered into their own self-government agreements: Comprehensive Funding Arrangements (CFA) and Canada/First Nation Funding Agreements (CFNFA). Any changes to the text of the agreements must be approved by INAC headquarters.

3.1.2 All INAC programs are covered under a single funding arrangement with a First Nation. Under the Assisted Living Program, each First Nation will have either one or the other type of arrangement in place.

3.1.3 **Comprehensive Funding Arrangement (CFA)** – This is a program-budgeted funding arrangement that INAC enters into with First Nations for one year. CFAs contain programs funded through:

- **Contributions** – reimbursement of eligible expenditures
- **Flexible Transfer Payments (FTP)** – based on a formula (surpluses can be kept as long as the terms and conditions have been met)
- **Grants** – unconditional

3.1.4 **Canada/First Nation Funding Agreements (CFNFA)** – This is a block-funded agreement that INAC enters into with a First Nation for up to five years. It can include funding from other federal departments. This type of agreement is also called an *Alternative Funding Arrangement* or *Financial Transfer Agreement*. The CFNFA agreement contains a common set of funding terms and conditions in the main body of the agreement. The terms and conditions specific to each federal department are attached as schedules to the CFNFA.

3.1.5 The CFNFA is more flexible than the CFA by providing First Nations the ability to redesign programs and apply funds in accordance with community needs, as long as certain specified minimum program requirements are met to ensure that a guaranteed level of service is provided.

3.1.6 The CFNFA encourages creative and innovative ways of providing programming because First Nations can use any money saved on other priorities within the community.

3.2 Funding Authority

3.2.1 INAC normally tries to arrange for the administration of funding for Assisted Living programs and services, and other public services, with the Chiefs and Councils of First Nation bands. A variety of options are available.

3.2.2 A funding *arrangement* is the contractual agreement signed between INAC and the recipient. A funding authority is the *rules* established by Treasury Board that INAC must follow when funding a program or service.

The Assisted Living Program is to be funded as a contribution except the service delivery component, which is eligible to be funded as a Flexible Transfer Payment (FTP).

Eligible Recipients for Contribution Agreements

3.2.3 Funding for Assisted Living programs and services may be directed to either of the following:

- First Nation organizations designated by Chiefs and Councils (bands or settlements, tribal councils or political or treaty organizations)
- public or private organizations engaged by, or on behalf of, First Nation communities to:
  - provide specialized Assisted Living programs and services (care facilities operated according to provincial or territorial laws and standards, funeral homes, provincial or territorial ministries of social services, or provincial or territorial agencies)
  - administer program funding (private firms or organizations retained as co-managers or third-party managers designated by INAC)

3.2.4 **Third-party Agreements** – In some cases, where services are not administered directly by a band's Chief or Council, INAC may enter into agreements for service delivery or cost-sharing with other government agencies, private businesses or non-governmental organizations.

3.2.5 **Self-governing First Nations** – First Nations that have assumed responsibility for Income Assistance and Assisted Living (formerly "Adult Care") activities through a Programs and Services Transfer Agreement (PSTA) are not eligible recipients under this contribution

authority. However, PSTAs in the Yukon allow First Nations to be eligible to receive services or funding under new or enhanced programs that may be introduced by Canada and that would otherwise be available to the First Nation under the program criteria had it not assumed responsibility for that program area.

Funding Guidelines

3.2.6 **Stacking provisions** – These do not generally apply to payments for abuse prevention and protection services because INAC usually provides 100% of the funding. Any other government funding received will be used to reduce INAC's contribution.

3.2.7 **Third-party Delivery** – Where the recipient delegates authority or transfers program funding to an agency (such as an authority, board, committee or other entity authorized to act on behalf of the recipient), the recipient is still liable to the Minister for meeting the obligations under the funding agreement. The delegation or transfer of funds must not compromise the objectives of the program or the expectations of transparent, fair and equitable service.

3.3 Allowable Expenses

3.3.1 Allowable expenses are based on the service standards and rate schedules of the province or territory of residence. Funding for eligible expenditures must not result in any funding duplication. Neither the contribution nor the grant authority allows for payment of specialized medical items or minor capital items.

3.3.2 **Service Delivery Allowable Expenses** – Funding is allocated to Chiefs and Councils of First Nation bands, First Nation organizations or provinces or territories are also intended to cover service delivery (subject to funding levels), which may include:

- administrative expenses, including the following:
  - salaries
  - travel
  - transportation
  - training for professional or para-professional administrators and case workers
  - related office costs
- activities related to collecting and managing data required for program monitoring, planning, reporting and evaluation
- maintaining and upgrading systems

- developing and implementing case management systems, including the following:
  - structured client assessment
  - referral
  - re-assessment and counseling
  - training
  - professional support for administrators and case managers
- developing operational policy and related documents, and delivery options to encourage local integration, where possible, of education, health and social services needed to effectively deliver and administer assisted living programs

3.3.3 **In-home Care Allowable Expenses** – Contribution funding may be provided for financial assistance for non-medical personal care services. For a list of these services, see *In-home Care* in Chapter 2 – *Program Components*.

3.3.4 **Assisted Living Foster Care Per Diems and Allowable Expenses** – Per diems are provided based on the rate schedule for the reference province or territory. Other eligible non-medical expenses associated with placement may also be paid.

3.3.5 **Institutional Care Types I and II Allowable Expenses** –For a list of expenses relating to institutional care, see *Institutional Care Types I and II* in Chapter 2 – *Program Components*.

3.4 Allocations to Regions

3.4.1 Assisted Living funds are part of the Regional Global Core budget. Each region is responsible for managing this budget and prioritizing how funds are allocated. If a request for funds cannot be made within the current budget, then the request must be deferred until resources become available in the future.

Contribution Authority

3.4.2 **Maximum Amounts** – The maximum amounts payable under the contribution authority are based on the service standards and rate schedules of the province or territory of residence. Treasury Board has established maximum amounts based on the highest provincial and territorial rates.

3.4.3 **Repayable Contributions** – This provision does not apply to contributions because no business will receive contributions that are intended to generate profits or to increase the value of the business.

3.4.4 **Due Diligence** – INAC must have procedures and resources in place for ensuring due diligence in:

- approving these contributions
- verifying eligibility and entitlement
- managing and administering the program

3.4.5 **Approval** – Authority to sign and amend funding agreements is delegated to INAC directors who have signing authority in the region.

Grant Authority

3.4.6 **Maximum Amounts Payable** – The maximum amounts payable under the grant authority are based on the service standards and rate schedules of the reference province or territory. Treasury Board has established maximum amounts based on the highest provincial and territorial rates.

3.4.7 **Repayable Contributions** – This provision does not apply to grants.

3.4.8 **Due Diligence** – INAC must have procedures and resources in place for ensuring due diligence in:

- verifying eligibility and entitlement
- managing and administering the program
- approving grant payments

3.4.9 **Approval** – Responsibility for approving applications is delegated to INAC directors of regional funding services.

3.5 Basis and Timing of Payments

3.5.1 **Contribution Authority** – Payments are made monthly based on a cash flow forecast from the recipient or by reimbursing eligible costs. Where advance payments are necessary, they are limited to the immediate cash requirements of the recipient and must not exceed the payment frequency set out in the provisions of the Treasury Board *Policy on Transfer Payments* (see Section 7.6, *Cash Management Policy: Installments of Grants and Advance Payments of Contributions*).

3.5.2 **Grant Authority** – Final recipients are required to reapply (or confirm their eligibility) each month for Assisted Living. Payments are made monthly.

4 Financial Administration

4.0.1 As well as the authorities received from Cabinet and Treasury Board, the operation of the Assisted Living Program is governed by the terms of the *Financial Administration Act* (FAA) and the *Treasury Board Policy on Transfer Payment* (PTT).

4.0.2 This section of the manual covers only those aspects of the FAA and the PTT that have a direct impact on managing the program. Other sections may also apply. These impacts reinforce the need for compliance mechanisms.

> **Note:** This is a summary only of a limited number of sections of the FAA and PTT. Managers who are uncertain about their financial responsibilities should refer to the FAA and the Cash Management Policy (CMP) and not rely exclusively on this summary.

4.1 *Financial Administration Act*

4.1.1 This section of the manual focuses on Sections 32, 33 and 34 of the FAA, which have the most direct impact on operating the Assisted Living Program and reinforce the need for adequate compliance being performed in a timely fashion. Under Sections 32 and 34, the responsibility centre manager (RCM) may be the same or different managers, depending on the region's organizational structure.

4.1.2 **Section 32 of the FAA** requires that no contract or arrangement requiring a payment be entered into unless it is certified that there is an appropriation from Parliament that the payment can be charged to. As well, enough funds, which are not earmarked for other expenditures must be available to cover the expenditure. An RCM is designated and is responsible for ensuring that these conditions are met and that an approved authority exists for the activity before a commitment is made to fund a program or service. Once the RCM has signed under Section 32, the RCM may be held accountable if sufficient funds are not available or an authority does not exist.

4.1.3 **Section 34 of the FAA** requires that an expenditure cannot be authorized until it has been verified that the goods and services have been received. For the Assisted Living Program, this requires that:

- invoices that are reimbursable as a contribution are to be reconciled
- the expenditures must be verified to confirm they are for eligible final recipients, are within the approved authorities and are in line with provincial or territorial rates

When the RCM signs the document, the RCM is certifying that this reconciliation and verification have been done and the goods and services have been received. If it is found later that the expenses were not verified, or that improper charges have been made, the RCM may be in breach of the FAA.

4.1.4 **Section 33 of the FAA** provides for authorizing payment to the recipient. The financial officer receives the requisition signed by the RCM under Sections 32 and 34 verifying that the money is available, that the matter is within the approved authorities, and that the goods and services have been received. The financial officer then signs the requisition and sends it for payment.

4.1.5 **The implications arising from Section 34** must be seriously considered, because the only way that the requirements of Section 34 can be met to reimburse contribution payments is if compliance reviews are done monthly (this is the only way to verify that goods and services have been received). Reimbursement simply on the basis of receiving an invoice is contrary to Section 34 and could put the signing RCM in breach of the FAA.

4.2 Cash Management Policy (CMP)

4.2.1 This section focuses on Section 7.6 of the *Treasury Board Policy on Transfer Payments*, Cash Management Policy: "Installments of Grants and Advance Payments of Contributions," and on Appendix B, Section ii, of the policy "Advance Payment of Contributions." These sections are relevant because they outline the policy on advance payments.

4.2.2 **Principle of Minimum Level of Funding** – CFAs and CFNFAs are based on Treasury Board-approved terms and conditions for the program. These terms and conditions are based on the principle that transfer payment assistance is provided for projects only at the

minimum level needed to achieve the stated program objectives and expected results.

4.2.3 **Advance Payments** – Funding is paid on the basis of achieving performance objectives set out in the CFA or CFNFA. However, advance payments of the government's share of allowable expenses may be made if payment is essential to achieve program objectives and if an agreement specifically provides for payment.

4.2.4 Under the CMP, INAC must base any provision for advance payments on sensible cash management principles. For example, the amount of each advance should be limited to the immediate cash requirements based on a monthly cash flow forecast from the recipient. The advance must also take into account any outstanding advances. To reduce the risk of overpayments, funds should only be paid after a satisfactory accounting of the amount by the recipient. Regions must verify that the expenditures are within authorities and comply with the agreements.

4.2.5 **Limitation on Amount of Advance Payment** – The CMP limits the amount that can be advanced. For recipients in an agreement of four months or longer, an advance must not exceed the value of the first quarter of the total value of the annual amount of the funding agreement.

4.3 Exemptions

4.3.1 **Holdback Provisions** – When the recipient is a First Nation, INAC has an exemption to the requirements in Sections 7.6.3 and 7.6.4 of the *Treasury Board Policy on Transfer Payments* on holdback provisions. Amounts for income assistance and family violence services to residents on reserves are a major component of an ongoing funding relationship between INAC and First Nations. The fact that the funding relationship is ongoing motivates recipients to account fully for all expenditures. It also helps reduce the risk that the recipient might not use the funds for the purpose they were contributed toward. Therefore, CFAs and CFNFAs do not have explicit holdback provisions.

4.3.2 Instead, First Nation recipients are advised that "funding otherwise payable under this arrangement may be withheld by the Minister, if the Audit and reports are not provided by the Council to the Minister as required under this agreement or its predecessor.

4.3.3 **Funding Level Changes** – When the recipient is a First Nation, INAC has an exemption to the provisions in Section 7.3.6 of the *Treasury Board Policy on Transfer Payments* in case Parliament changes departmental funding levels. Funding agreements already contain a clause that any payment made requires an appropriation by Parliament for the fiscal year in which the payment is made. This clause is based on Section 40 of the *Financial Administration Act*. This section also provides sufficient authority for INAC to reduce or cancel agreements and payments if Parliament changes departmental funding levels.

5 Reporting and Compliance

5.0.1 Reporting and compliance are major components of effective program management. INAC must ensure that recipients adhere to the terms and conditions outlined in their funding agreements. Without measures taken to demonstrate that the terms and conditions of agreements have been met and that INAC is funding programs that are within its authorities, it would be difficult to present a case for ongoing funding.

5.0.2 **Minimum Requirements** – The reporting requirements set out in this section are the minimum requirements (5.2 and 5.3). Regions may also require other reports that are region-specific and essential to the successful operation of the program.

5.0.3 **Conflict of Interest** – All recipients must comply with the *Conflict of Interest and Post-employment Code for the Public Service* and the *Conflict of Interest and Post-Employment Code for Public Office Holders*. Where a recipient employs or has a major shareholder who is either a current or former (in the last 12 months) public office holder or public servant in the federal government, recipients must demonstrate that they have complied with these codes. For more information on conflict of interest, see the following Web site: http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TB_851/guide_cip_e.asp

5.0.4 ***Financial Management Manual (FMM) –The Management Control Framework for the Receipt of Reporting Requirements Policy*** provides a management control framework for receiving reports required under INAC Funding Agreements such as: financial statements, program/service reports, management development plans and intervention related reporting requirements. It provides a framework for adherence to Section 34 of the *Financial Administration Act* and the *Treasury Board Policy on Transfer Payments*. This framework ensures a standard application of sanctions imposed by the department according to Funding Agreements where recipients do not provide their reporting requirements. The policy sets out the requirements for conducting initial and detailed reviews of reports to ensure adherence to the terms and conditions of the Funding Agreement. It also guides departmental staff when reports are believed to be unobtainable.

5.1 Accountability

Funding Arrangements

5.1.1 Comprehensive Funding Arrangements (CFAs) and Canada/First Nation Funding Agreements (CFNFAs) contain standard provisions for accountability to INAC. Reports and performance must comply with the terms and conditions of the Funding Agreement and the requirements and specifications of the program.

5.1.2 Recipients must provide reports as set out in the *First Nations National Reporting Guide*.

5.1.3 INAC regions must also maintain regular contact with First Nations concerning the terms and conditions of the funding arrangements.

Local Accountability Requirements

5.1.4 First Nations must adhere to a common set of accountability requirements that address areas of high risk through *transparency*, *disclosure* and *redress* policies. These requirements emphasize local accountability for local decision-making:

- Transparency means that the First Nation's decision-making processes and approved program delivery policies are known to its members.
- Disclosure means that First Nations members have access to information on the First Nation's program plans, actions and expenditures, subject to privacy legislation.
- Redress means that the First Nations maintain formal processes for resolving disputes so that members can appeal decisions of the First Nation, its employees and delegates.

5.2 Financial Reporting

5.2.1 Each First Nation is required to prepare annual financial statements as explained in INAC's *Year End Reporting Handbook*. Each First Nation must hire an independent and qualified auditor to verify the statements. An annual audit is standard for all recipients receiving federal funding.

5.2.2 Each First Nation must submit a copy of its annual audited financial statements to INAC within 120 calendar days from the end of the First Nation's fiscal year. The region then evaluates whether the financial requirements of the Funding Agreement have been met and financial health has been maintained. These audits are also available to all band members for review. When a recipient is not a First Nation, financial reporting is set out in FMM, Chapter 5.17.

5.2.3 For recipients other than First Nations, tribal councils or First Nation political organizations, financial reporting is in accordance with the DIAND *Financial Policies and Procedures Manual (Volume 3), Transfer Payment (Part 5), Chapter 5.17*. Before entering into a funding agreement with a recipient, a decision on the most appropriate type of financial reporting must be made. Recipients may be required to provide the department with an annual audited financial statements, an audited statement of revenue and expenditure or a statement of revenue and expenditure.

5.3 Non-financial Reporting

5.3.1 Each recipient must submit various reports regarding service delivery as set out in INAC's *First Nations National Reporting Guide*. INAC uses these reports to ensure that:

- funds have been used for the intended purposes
- the terms and conditions of the Funding Agreements have been met
- there is sound management and financial control to ensure services continue to be delivered in First Nations communities

5.3.2 Regions will provide the appropriate data collection forms to the recipient, together with applicable instructions to meet the program reporting requirements.

6 Future Directions

6.0.1 This chapter describes future directions for the Assisted Living Program, including options for addressing long-term care needs, integration of services and quality of care.

6.1 Long-term Care

6.1.1 INAC is currently engaged with Health Canada, the Assembly of First Nations (AFN) and Inuit Tapiriit Kanatami (ITK) in the Continuing Care Research and Costing and Policy Development Project (south of 60 degrees latitude). This national project is intended to determine the policy options and the funding needed to deliver continuing care services.

6.1.2 Currently there are significant gaps within the continuum of care, such as the provision of higher levels of care in institutions on reserves because neither Health Canada nor INAC has the authority to deliver those services. For the most part, provinces and territories do not provide those services on reserves. The federal government is committed to the principle of providing funding to First Nations to enable them to deliver programs that are reasonably comparable to those provided by provinces and territories.

6.1.3 The project will provide a greater understanding of the needs (by assessing care levels) and continuing care services now provided in First Nations and Inuit communities, and sound evidence for developing continuing care options and costing. This project is expected to be completed by late 2004. Quebec and Manitoba regions have been identified as sample regions.

6.2 Integration and Quality Care

6.2.1 Health Canada, INAC, AFN and ITK are working to improve and promote the integration of health and social programs (Health Canada's Home and Community Care Program and INAC's Assisted Living Program) at the First Nation community level.

6.2.2 A number of factors are actively influencing this integration initiative. The following are the most important factors:

- a sincere desire by all stakeholders to improve the quality of services;
- the Auditor General's report, *Streamlining First Nations Reporting to Federal Organizations* (December 2002), calling for improvements in First Nation reporting requirements
- the Romanow report, *Building on Values: The Future of Health Care in Canada* (November 2002), focusing on case management and home-based services
- overall Treasury Board direction to work on clarifying federal departments' roles and responsibilities and on integrating programs
- provincial health care reform initiatives

6.2.3 In the early part of 2003, Health Canada and INAC requested the expertise of a consultant to help prepare a concept model of integration, which would address both service delivery and governance issues. First Nation community expertise was brought together at a Calgary focus group in February 2003. After feedback and validation, a final draft report on the integration model was delivered in October 2003. This was used as the basis for discussions by an expert working group at the November 2003 meeting on continuing care in Toronto. INAC, First Nations and Health Canada are working on an implementation strategy for integration activities, which has recently been formulated into a draft work plan.

6.2.4 A draft framework on the quality care initiative, another part of the continuing care agenda, was also presented at the November 2003 meeting in Toronto. The goal of the quality care initiative is to promote quality client care by promoting and developing continuous quality improvement and risk management programs for the Assisted Living Program and Home and Community Care Program. Because a number of activities within integration and quality care relate to one another or may be effectively merged into one strategic approach, the two streams of activity will be merged for future work planning and meeting purposes.

6.2.5 Work will continue with INAC's partners throughout 2004-05 on integration and quality care activities.

Annex A Resource Information and Links

A.1 Canada

Government of Canada
http://www.canada.gc.ca/

Canada Revenue Agency
http://www.ccra-adrc.gc.ca/menu-e.html

Status of Women Canada
http://www.swc-cfc.gc.ca/about/about_e.html

Statistics Canada
http://www.statcan.ca/start.html

Social Development Canada
http://www.sdc.gc.ca/en/home.shtml

Human Resources and Skills Development Canada
http://www.hrsdc.gc.ca/en/home.shtml

Human Resources Social Development,
National Homelessness Initiative
http://www21.hrdc-drhc.gc.ca/

Treasury Board Policy on Transfer Payments
http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/tbm_142/ptp1_e.asp#_Toc482671155

Treasury Board of Canada,
Social Union Framework Agreement (SUFA)
http://socialunion.gc.ca

Health Canada, National Clearinghouse on Family Violence
http://www.hc-sc.gc.ca/hppb/familyviolence/

Indian and Northern Affairs Canada
http://www.ainc-inac.gc.ca/

Acts administered by Indian and Northern Affairs Canada
http://www.ainc-inac.gc.ca/pr/leg/lgis_e.html

INAC funding agreements
http://www.ainc-inac.gc.ca/ps/ov/agre_e.html

A.2 B.C. Region

Government of British Columbia
http://www.gov.bc.ca/bvprd/bc/home.do

B.C. Statutes and Regulations
http://www.gov.bc.ca/bvprd/bc/channel.do?action=simple&channelID=-8351&navId=NAV_ID_province

B.C. Employment and Assistance Manual
http://www.mhr.gov.bc.ca/publicat/vol1/

B.C. Ministry of Human Resources
http://www.gov.bc.ca/bvprd/bc/channel.do?action=ministry&channelID=-8388&navId=NAV_ID_province

B.C. Family Bonus
http://www.rev.gov.bc.ca/itb/fam/fam.htm

B.C. Employment and Assistance Act
http://www.mhr.gov.bc.ca/publicat/vol1/Part3/3-2.HTM

B.C. Employment and Assistance Regulation
http://www.mhr.gov.bc.ca/publicat/vol1/Part3/3-3.htm

B.C. Employment and Assistance for Persons with Disabilities Act
http://www.mhr.gov.bc.ca/publicat/vol1/Part3/3-4.HTM

B.C. Employment & Assistance for Persons with Disabilities Regulation
http://www.mhr.gov.bc.ca/publicat/vol1/Part3/3-5.htm

B.C. Child Care Subsidy Act
http://www.mhr.gov.bc.ca/publicat/vol1/Part3/3-6.htm

B.C. Child Care Subsidy Regulation
http://www.mhr.gov.bc.ca/publicat/vol1/Part3/3-7.htm

INAC B.C. Region
http://www.ainc-inac.gc.ca/bc/index_e.html

Social Development Policy and Procedures Manual (INAC)
http://www.ainc-inac.gc.ca/bc/sdpp/index_e.html

A.3 Alberta Region

Government of Alberta
http://www.gov.ab.ca/home/index.cfm

Alberta Children's Services
www.child.gov.ab.ca

Government of Alberta Laws and Publications
http://www.qp.gov.ab.ca/catalogue/

Information on the Protection Against Family Violence Act
http://www.child.gov.ab.ca/whatwedo/familyviolence/page.cfm?pg=Protection%20Against%20Family%20Violence%20Act

Information on income support programs
http://www3.gov.ab.ca/hre/sfi/index.asp

INAC Alberta Region
http://www.ainc-inac.gc.ca/ab/index_e.html

A.4 Saskatchewan Region

Government of Saskatchewan
http://www.gov.sk.ca/

INAC Saskatchewan Region
http://www.ainc-inac.gc.ca/sk/index_e.html

A.5 Manitoba Region

Government of Manitoba
http://www.gov.mb.ca/index.html

Employment and Income Assistance Act
http://www.gov.mb.ca/fs/eiamanual/1.html

Employment and Income Assistance Regulation
http://www.gov.mb.ca/fs/eiamanual/2.html

Employment and Income Assistance Administrative Manual (Manitoba Family Services and Housing)
http://www.gov.mb.ca/fs/eiamanual/index.html

INAC Manitoba Region
http://www.ainc-inac.gc.ca/mb/index_e.html

A.6 Ontario Region

Government of Ontario
http://www.gov.on.ca/MBS/english/index.html

Ontario Works Program (Ministry of Community and Social Services)
http://www.cfcs.gov.on.ca/CFCS/en/programs/IES/OntarioWorks/default.htm

Ontario Works Policy Directives
http://www.cfcs.gov.on.ca/CFCS/en/programs/IES/OntarioWorks/Publications/ow-policydirectives.htm

Ontario Disability Support Program (Ministry of Community and Social Services)
http://www.cfcs.gov.on.ca/CFCS/en/programs/IES/OntarioDisabilitySupportProgram/default.htm

Ontario Statutes and Regulations
http://www.e-laws.gov.on.ca

Ontario Works Act
http://192.75.156.68/DBLaws/Statutes/English/97o25a_e.htm

Homemakers Nurses Services Act
http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90h10_e.htm

Family Benefits Act
http://192.75.156.68/DBLaws/Statutes/English/90f02_e.htm

Indian Welfare Services Act
http://192.75.156.68/DBLaws/Statutes/English/90i04_e.htm

Long Term Care Act
http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/94l26_e.htm

Nursing Homes Act
http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90n07_e.htm

INAC Ontario Region
http://www.ainc-inac.gc.ca/on/index_e.html

A.7 Quebec Region

Government of Quebec
http://www.gouv.qc.ca/Index_en.html

Laws and Regulations
http://www.gouv.qc.ca/Informations/Lois/Lois_en.html

INAC Quebec Region
http://www.ainc-inac.gc.ca/qc/index_e.html

A.8 Atlantic Region

Government of Prince Edward Island
http://www.gov.pe.ca/index.php3/

Government of Nova Scotia
http://www.gov.ns.ca/

Government of New Brunswick
http://www.gnb.ca/index-e.asp

Government of Newfoundland and Labrador
http://www.gov.nf.ca/

INAC Atlantic Region
http://www.ainc-inac.gc.ca/at/index_e.html

A.9 Territories

Government of the Yukon
http://www.gov.yk.ca

Government of the Yukon Acts and Regulations
http://www.gov.yk.ca/legislation/pages/page_a.html

INAC Yukon Region
http://www.ainc-inac.gc.ca/yt/index_e.html

Government of Northwest Territories
http://www.gov.nt.ca/

Government of Nunavut
http://www.gov.nu.ca/Nunavut/

Annex B Disabilities Initiative

B.1 Types of Projects Funded

B.1.1 Under the Disabilities Initiative, funding is provided for projects to improve the coordination and accessibility of existing disability programs and services on reserves, including:

- advocacy
- public awareness
- regional workshops
- for organizations, any administrative costs related to the project, including:
  - salaries and benefits for project personnel
  - professional and business services
  - equipment rentals
  - materials and supplies for special projects
  - travel costs
  - supplies not covered by the reference province or territory or other federal departments

B.2 Eligibility Requirements

B.2.1 First Nations and other Aboriginal organizations or disability groups that engage in disability-related information services may be eligible for funding for public education and awareness activities. Project funding is based on project proposals and is subject to the availability of program funding.

B.2.2 Proposals must include clearly defined objectives, a work plan and proposed outcomes. The proposals should demonstrate that the proposed activities are designed to improve the coordination and accessibility of existing programs and services for First Nation peoples and Inuit with disabilities who are ordinarily resident on reserve

B.2.3 Regions are expected to notify potential First Nation and Aboriginal organizations about the new requirements for the Disabilities Initiative. This will allow groups, that may not have been funded in the past, to submit a proposal for this funding.

B.3 Funding

B.3.1 The Disabilities Initiative funds are allocated to regions based on the National methodology. INAC regional offices annually review the proposals submitted and provide funding based on the merit of proposals and the availability of funds. The money is distributed to regions on the same basis as in the past—that is, according to a Modified Berger Formula (for more information, see below). The amount is based on historic levels, subject to the availability of funds.

B.3.2 Once in the regions, funding is distributed to recipients based on approved project proposals only. Any one recipient can be funded for a project of up to $160,000 per year.

For example, where a region was given $145,000 in non-core funding for the Disabilities Initiative in the previous year, that region may receive the same amount in the coming fiscal year if the funds are available. Where the need is justified and identified by the First Nations and supported by the region, the region may top up that amount with regional allocations to the maximum $160,000.

B.3.3 Funding is provided under the contribution authority, and is therefore based on reimbursing eligible expenditures.

B.3.4 **Modified Berger Formula** – The Assembly of First Nations Modified Berger Formula is used to develop a sliding factor that will account for the diseconomies of scale seen in the small population of most First Nation and Inuit communities. The formula looks at decreasing resources for larger communities, using the smallest community size as the standard.

The Modified Berger Formula divides resources on a per capita basis. Larger communities receive lower weights (that is, a smaller population in the per capita calculation) according to the following system:

- 0–500 population: weight of one
- 501–1,000 population: weight of 0.9
- 1,001–3,000 population: weight of 0.8
- over 3,000 population: weight of 0.7

Annex C Resident On-Reserve Communities

C.1 Ordinarily Resident on Reserve

C.1.1 Residents of the following communities are considered to be ordinarily resident on reserve:

- Kitcisakik - Canton de Hamon
- Long Point First Nation - Winneway
- Pakua Shipi - Saint-Augustin
- Kanesatake - Oka
- MaïganAkik - Barriere Lake
- Aroland
- Animbigoo Zaagi'igan Anishina
- Nibinamik
- Marcel Colomb Cree - Lynn Lake
- Mathias Colomb Cree Nation - Granville Lake
- Nisichawayasihk Cree Nation - South Indian Lake
- War Lake First Nation - Ilford
- Fox Lake First Nation - Gillam
- Ocean Man
- Athabasca Chipewyan First Nation (ACFN) - Ft. Chipewyan
- Mikisew Cree First Nation - Fort Chipewyan
- Little Red River Cree Nation (LRRCN) - Garden River
- Fort McKay First Nation
- Lubicon Lake Band - Little Buffalo
- Tsay Keh Dene First Nation (Ingenika Band)
- Old Massett Village Council
- Lax Kw'alaams
- Iskut
- Lake Babine Nation
- Wet'suwet'en First Nation - Bromon Lake
- Whe-La-La-U
- all First Nation residents in the Yukon

Annex D Program Terms and Conditions

A1. Grants to provide income support to indigent on-reserve residents.

Objectives: To provide financial assistance to indigent residents on reserve to: 1) meet basic daily living requirements; and, 2) provide social support programs which meet the special needs of infirm, chronically ill and disabled persons at standards reasonably comparable to the relevant province/territory of residence.

The anticipated results are to: alleviate hardship; maintain functional independence; and, achieve levels of well-being reasonably comparable to the standards of the province or territory of residence.

Eligible Recipients: Income assistance and assisted living are essential social services funded by DIAND for Indian communities. DIAND arranges for the administration of the funding for these services with the Chiefs and Councils of Indian bands recognized by the Minister of Indian Affairs and Northern Development. In situations where Chiefs and Councils choose to continue having DIAND deliver services on reserve or are unable to deliver services on reserve or administer some components of program funding, DIAND may make grant payments directly to individual recipients.

To be eligible for funding under this grant authority, for income assistance, recipients must:

- be in need of basic social support (as defined by the benefit rates and eligibility criteria of the relevant province or territory and confirmed by an assessment covering employability, family composition and age, and financial resources available to the household);
- be ordinarily resident on reserve, except reserve lands that have been designated for commercial leasing; and,
- have a demonstrated requirement for income assistance and confirm they have no other source of funding to meet such need.

To be eligible for funding under this grant authority, for assisted living, recipients must:

- be formally assessed by designated social service and/or health professionals as requiring one or more of the designated essential services identified in the comparable provincial/territorial programs, using the assessment tool of the relevant province or territory of residence;

- be individuals who do not have the resources to obtain such services themselves nor access to other federal or provincial/territorial sources of support, as confirmed by an assessment covering employability, family composition and age, and financial resources available to the household;
- in the case of children, be formally assessed as requiring such services, but only in cases where the responsibility for the funding and provision of such services does not lie with other agencies/programs;
- be ordinarily resident on reserve, except reserve lands that have been designated for commercial leasing.

For the purpose of providing income assistance and assisted living programs and services, ordinarily resident means that an individual: usually lives at a civic address on-reserve; or, in the case of children in joint custody, lives more than 50% of the time on-reserve; or stays on the reserve and has no usual home elsewhere. Students registered full-time in a post-secondary education or training program and who are in receipt of federal, band or Aboriginal organization education/training support funding continue to be considered ordinarily resident on reserve if: they maintain a residence on reserve, are a member of a family that maintains a residence on-reserve; they return to live on reserve with parents, guardians, caregivers or maintainers during the year, even if they live elsewhere while attending school or working at a temporary job. The residence of a child who comes into the care of a mandated child welfare authority is derived from the residency of the child's parent or guardian at the time the child is taken into care. Individuals who are off-reserve for the purpose of obtaining care not available on-reserve or who are off-reserve for the primary purpose of accessing social services because there is no reasonably comparable service available on-reserve continue to be considered ordinarily resident. DIAND's regional office in Whitehorse takes applications for income assistance from Indians resident in Whitehorse who confirm they are not receiving any social assistance from any other source.

Stacking Provisions do not apply. DIAND is the only source of funding for these payments.

Third Party Delivery provisions do not apply. Payments are made only to eligible recipients. Recipients can neither transfer nor delegate funds to other agents.

Application Requirements: In some cases, DIAND continues to fund income assistance and assisted living directly to eligible recipients.
DIAND regional offices accept applications for income support from residents of communities where Chief and Council have not made arrangements for the administration of the program. Eligible recipients (or their guardians or maintainers on their behalf) are required to demonstrate or confirm their eligibility for funding, as per the programs specific requirements listed below. Eligible recipients must also meet the qualifying requirements of the province or territory of residence, including an assessment of financial need, which covers their employability, family composition and age, and financial

resources available to their household; they must also confirm that they do not receive any social assistance from any other source.

Income Assistance: Indigent residents of such communities may require direct financial assistance to cover basic and special needs – e.g. shelter, food, clothing, personal incidentals, special diets, essential household items, guide dogs, special transportation and moving costs; employment and training related child care and accommodation, transportation and equipment costs; children's winter and school clothing; employment-related relocation costs; funerals and burials; pre-employment assistance such as financial support for employment and training related child-care and accommodation, transportation and equipment costs; employment-related relocation costs, basic work experience, training in essential skills; counselling and life skills; employability counselling and job-seeking skills; transfers of income assistance entitlements to training and work experience projects and other items identified in the relevant provincial/territorial legislation.

Assisted Living: Institutional Care and where appropriate, Foster Care: standard accommodation; meals; including therapeutic diets; food; laundry; necessary emergency and routine treatment supplies; skilled care with professional supervision as needed and a planned program of social and recreational activities; clothing; special diets; age allowance; personal living allowance and guide dogs in foster homes, in Types I and II personal care homes on reserve, or off reserve care facilities (Type I or Type II institutional care, as defined in Health Canada's Federal Classification System for Institutional Care) operated in accordance with provincial/territorial laws and standards.

The resident of an institution is expected to pay the provincial/territorial government established co-insurance or user fee for care and maintenance, and clothing and personal expenses to the extent his/her individual circumstances permit.

This authority does not allow for payment of specialized medical items or minor capital items.

Amounts payable under this grant program are based on the service standards and rate schedules of the province or territory of residence. Provision will be made to ensure funding for eligible expenditures does not result in any funding duplication.

Before payment to an eligible recipient, DIAND shall verify that the Care facility can demonstrate the following:

1. that it operates according to the licensing/accreditation guidelines of the relevant province/territory;
2. that the care services for which the institution is invoicing DIAND do not exceed Types I and II care, federal classification or equivalent.

For the purpose of these programs and services, residents of the following communities are considered to be ordinarily resident on reserve: Kitcisakik - Canton de Hamon; Long Point First Nation - Winneway; Pakua Shipi - Saint-Augustin; Kanesatake - Oka; MaïganAkik - Barriere Lake; Aroland; Animbiigoo Zaagi'igan Anishina; Nibinamik; Marcel Colomb Cree - Lynn Lake; Mathias Colomb Cree Nation - Granville Lake; Nisichawayasihk Cree Nation - South Indian Lake; War Lake First Nation - Ilford; Fox Lake First Nation - Gillam; Ocean Man; Athabasca Chipewyan First Nation (ACFN) - Ft. Chipewyan; Mikisew Cree First Nation - Ft. Chipewyan; Little Red River Cree Nation (LRRCN) - Garden River; FT. McKay First Nation; Lubicon Lake Band - Little Buffalo; Tsay Keh Dene First Nation (Ingenika Band); Old Massett Village Council; Lax Kw'alaams; Iskut; Lake Babine Nation; Wet'suwet'en First Nation - Bromon Lake; Whe-La-La-U; and all Indian residents in the Yukon

All recipients shall comply with the *Conflict of Interest and Post-employment Code for the Public Service* and the *Conflict of Interest and Post-Employment Code for Public Office Holders*. Where a recipient employs or has a major shareholder who is either a current or former (in the last twelve months) public office holder or public servant in the federal government, compliance with the Code(s) shall be demonstrated.

Eligible Expenditures: This provision does not apply to class grants.

Maximum Amounts Payable: Maximum amounts payable under this grant program are based on the service standards and rate schedules of the province or territory of residence.

In 2003-2004, payments are limited to covering the expected direct costs, as outlined in the approved applications, up to $50,000 per eligible recipient per year for the costs of basic, special and pre-employment needs as listed in eligible expenditures.

Assisted Living: Payments of up to $173,010 per eligible beneficiary per year, for institutional or foster care.

Maximum amounts payable under this grant program may be increased annually up to two percent (2%).

Repayable Contributions: This provision does not apply to class grants.

Due Diligence: DIAND has procedures and resources for ensuring due diligence in: verifying eligibility and entitlement; managing and administering the program; and, approving these grant payments.

Approval of Applications: Is delegated to DIAND Directors of regional funding services.

Basis and Timing of Payment: Recipients are required to re-apply (or confirm their eligibility) monthly for income assistance and assisted living. The grant will be paid on a monthly basis.

Funding Level Changes: Recipients are advised through program literature, and when applications for funding are made and approved, that payments under this grant program may be cancelled or reduced in the event that departmental funding levels are changed by Parliament.

Duration: These terms and conditions are in effect until March 31, 2006.

Results-based Management and Accountability Framework and **Risk-Based Audit Framework:** DIAND is seeking an exception to section 8.1.1 (clauses xv and xvi) of the Treasury Board Policy on Transfer Payments, the requirement for the Results-based Management and Accountability Framework (RMAF) and the Risk-Based Audit Framework (RBAF). This request is premised on the fact that DIAND is currently in the process of finalizing a review of all its A-base budget programs and the organizational structure used to manage and administer these programs. The Department's management and accountability structure will change with the creation of a Regional Operations Support Sector. This change will enhance the Department's efforts to ensure that the guiding principles outlined in the Treasury Board's report entitled *Results for Canadians*, the Treasury Board Policy on Transfer Payments as well as Treasury Board's Modern Comptrollership initiative will be fully implemented.

It is anticipated that the results of this A-base review and the departmental re-structuring, will be finalized by late August or early September. At that time, the social development program's RMAF and RBAF reports can be finalized in a manner that facilitates strategic alignment with the department's revised management and accountability structure.

Other: DIAND has the capacity to manage this program, for which the planned direct expenditure in 2003-2004 is $16 million in Vote 15 (Grants and Contributions) in DIAND's reference level.

A3. Contributions to provide income support to indigent on-reserve residents.

Objective: To provide support for (a) the basic and special assistance needs of indigent residents of Indian reserves and their dependants; and , (b) social support programs which meet the special needs of infirm, chronically ill and disabled persons. All of these programs will be delivered at standards reasonably comparable to the reference province/territory of residence. The anticipated results of these programs is the alleviation of hardship and the maintenance of functional independence on reserve to standards of the reference province or territory, and greater self-sufficiency for First Nation individuals and communities.

Eligible Recipients: DIAND arranges for the administration of funding for income support programs and services, and other public services, with the Chiefs and Councils of Indian bands recognized by the Minister of Indian Affairs and Northern Development. Chiefs and Councils may opt to deliver programs directly; share services with other member communities in tribal/district councils, or incorporated political/treaty/First Nation organizations; or, enter into agreements for service delivery with other provincial/territorial or municipal agencies, private businesses or non-governmental organizations.

In these cases, contributions for income support programs and services may be flowed to Indian organizations designated by Chiefs and Councils (bands/settlements, tribal councils, or political/treaty organizations); or public or private organizations engaged by or on behalf of Indian communities to provide specialized income support programs and services (care facilities operated in accordance with provincial/territorial laws and standards, funeral homes, provincial/territorial ministries of social services or provincial/territorial agencies), or to administer program funding (private firms or organizations retained as co-managers or third-party managers designated by DIAND).

In some cases, where service are not administered by Chief and Council of Indian bands, DIAND may opt to enter into agreements for service delivery or cost-sharing with other federal, provincial/territorial or municipal agencies, private businesses or non-governmental organizations.

With regard to the 1965 Ontario Agreement, the eligible recipient is the Province of Ontario and where appropriate the Chief and Council.

With regard to the Alberta Agreement, the eligible recipient is the Province of Alberta and where appropriate the Chief and Council.

Self-governing First Nations that have included income assistance and assisted living (formerly "adult care") in their self-government agreements are not eligible recipients under this contribution authority for those activities included in the self-government agreement.

Stacking Provisions do not generally apply to payments for income support programs and services, as DIAND usually provides 100% of the income support program and services funding. Any other government funding received will serve to reduce DIAND's contribution.

Stacking provisions apply to payments to eligible recipients for the delivery of income assistance or assisted living programs and services to eligible recipients normally resident on-reserve. Recipients for this funding will be required, as a condition in the contribution agreement, to declare any and all prospective sources of funding that are intended for use by the eligible recipient to provide income assistance and assisted living programs and or services. Provision for repayment shall be included in the contribution agreements. In the event that a single eligible recipient receives total funding in excess of $100,000 from more than one source and, when more funding of this nature is provided from all sources than was anticipated or actually required, the recipient shall reimburse to the Minister a share of the surplus that is proportional to DIAND 's contribution to that project.

Ontario Agreement: With regard to the 1965 Ontario Agreement, stacking provisions do not apply, as DIAND is the only source of funding for those expenditures for which the federal government is responsible.

Alberta Agreement: With regard to the Alberta Agreement, stacking provisions do not apply, as DIAND is the only source of funding for those expenditures for which the federal government is responsible.

Third Party Delivery: Where the recipient delegates authority or transfers program funding to an agency (i.e., an authority, board, committee or other entity authorized to act on behalf of the recipient), the recipient shall remain liable to the Minister for the performance of its obligations under the funding agreement. Neither the objectives of the programs, nor the expectations of transparent, fair, and equitable service may be compromised by this delegation or transfer of funds.

The recipient shall adhere to the management and accountability regimes outlined in the agreements, and include:

- clear statements of expectations, roles and responsibilities (including financial roles and responsibilities) for the eligible and final recipients;
- transparent and open decision making processes; demonstration that the eligibility requirements are being met;
- provision for ongoing assessment by DIAND to ensure that performance is in line with expectations and that the eligible and final recipients exercise due diligence;
- provision for DIAND's right of access to relevant documents and premises of the eligible recipient and, where warranted, the final recipient; requirements for compliance and financial audits;

- provision for DIAND to receive regular financial and performance reports from the eligible recipient, certified by an officer of the company, including if appropriate: annual audited financial statements with an external auditor's report and opinion; specification of admissible administrative costs that can be applied to the contribution by the eligible recipient based on an accounting of expenses; and any completed evaluations funded in whole or in part by the transfer payment program;

- provision that DIAND obtains from the eligible recipient, or has ready access to, a copy of all signed agreements with final recipients; and

- a description of the redress provisions for ultimate recipients affected by decisions of the eligible recipient; provision for appropriate reviews, program evaluations, and audits.

Application Requirements: Before entering into a funding arrangement, DIAND shall confirm its authorities to enter into an agreement with the recipient and to fund the proposed activities. Annual funding levels are determined on historical trends, and funding is monitored and adjustments (up or down) are made based on verified claims and allowable expenditures.

In most cases, income assistance and assisted living programs and services would be one of several public services to be funded by DIAND for a particular eligible recipient, and there would also be an expectation of an on-going relationship between DIAND and the eligible recipient. The recipient, therefore, shall be required to provide a complete review of its accountability and management processes and systems. This review shall be based on appropriate accountability and management control frameworks.

Following the assessment, DIAND may also work with the recipient to prepare a development plan. Such a plan shall address any gaps identified by the assessment and be appended to the agreement. The development plan shall remain an integral part of all future agreements until all the recommended policies and procedures have been implemented.

Recipients shall comply with the *Conflict of Interest and Post-employment Code for the Public Service* and the *Conflict of Interest and Post-Employment Code for Public Office Holders*. Where a recipient employs or has a major shareholder who is either a current or former (in the last twelve months) public office holder or public servant in the federal government, compliance with the Code(s) must be demonstrated.

For the purpose of providing income assistance and assisted living programs and services, ordinarily resident means that an individual: usually lives at a civic address on-reserve; or, in the case of children in joint custody, lives more than 50% of the time on-reserve; or stays on the reserve and has no usual home elsewhere. Students registered full-time in a post-secondary education or training program and who are in receipt of federal, band or Aboriginal organization education/training support funding continue to be considered ordinarily resident on reserve if: they maintain a residence on reserve; are a member of a

family that maintains a residence on-reserve; or, they return to live on reserve with parents, guardians, caregivers or maintainers during the year, even if they live elsewhere while attending school or working at a temporary job. The residence of a child who comes into the care of a mandated child welfare authority is derived from the residency of the child's parent or guardian at the time the child is taken into care. Individuals who are off-reserve for the purpose of obtaining care not available on-reserve or who are off-reserve for the primary purpose of accessing social services because there is no reasonably comparable service available on-reserve continue to be considered ordinarily resident.

For the purpose of these program and services, residents of the following communities are considered to be ordinarily resident on reserve: Kitcisakik - Canton de Hamon; Long Point First Nation - Winneway; Pakua Shipi - Saint-Augustin; Kanesatake - Oka; MaïganAkik-Barriere Lake; Aroland; Animbiigoo Zaagi'igan Anishina; Nibinamik; Marcel Colomb Cree - Lynn Lake; Mathias Colomb Cree Nation - Granville Lake; Nisichawayasihk Cree Nation - South Indian Lake; War Lake First Nation - Ilford; Fox Lake First Nation - Gillam; Ocean Man; Athabasca Chipewyan First Nation (ACFN) - Ft. Chipewyan; Mikisew Cree First Nation - Ft. Chipewyan; Little Red River Cree Nation (LRRCN) - Garden River; FT. McKay First Nation; Lubicon Lake Band - Little Buffalo; Tsay Keh Dene First Nation (Ingenika Band); Old Massett Village Council; Lax Kw'alaams; Iskut; Lake Babine Nation; Wet'suwet'en First Nation - Bromon Lake; Whe-La-La-U; and all Indian residents in the Yukon.

Income Assistance: In addition to the above general criteria, eligible recipients will confirm they are a Indian Band/First Nation organization/province/territory, a legal entity, provide audit statements, provide programs according to provincial/territorial income assistance legislation, conduct compliance reviews, deliver the program in accordance to the DIAND regional manual, provide a redress mechanism, and provide periodic reports as per the funding agreement. The final recipient must:

- be ordinarily resident on reserve, except reserve lands that have been designated for commercial leasing; and,
- be in need of basic or special financial assistance (as defined by the province or territory of residence, and confirmed by an assessment covering employability, family composition and age, and financial resources available to the household; and,
- have a demonstrated requirement for income assistance programs and services support and no other source of funding to meet such needs.

For funeral and burials the deceased must:

- have been ordinarily resident on reserve associated with an Indian band;
- be ineligible for provincial/territorial assistance programs (i.e. a non-social assistance recipient) in the case of recipients for funeral and burial services; and,
- have a demonstrated requirement for financial assistance and confirm he/she has no other source of funding to meet such need (as determined by a financial needs assessment according to the DIAND regional manual and guidelines).

Eligible recipients are required to demonstrate the eligibility of final recipients for funeral and burial services. For the purposes of determining eligibility, if the deceased was the head of household, the deceased is considered the recipient. If the deceased was a dependant, the head of household in which the deceased lived shall be the recipient.

Assisted Living: In addition to the above general criteria eligible recipients are required to demonstrate the eligibility of the final recipient for assisted living programs and services, according to the following criteria.

The final recipient must:

1. be ordinarily resident on reserve, except reserve lands that have been designated for commercial leasing; and;
2. be formally assessed by designated social service and/or health professionals as requiring one or more of the designated essential services identified in the comparable provincial/territorial programs, using the care assessment criteria of the relevant province/territory;
3. be individuals who do not have the resources to obtain such services themselves nor access to other federal or provincial/territorial sources of support, as confirmed by an assessment covering employability, family composition and age, and financial resources available to the household; or,
4. in the case of children, be formally assessed as requiring such services, but only in cases where the responsibility for the funding and provision of such services does not lie with other agencies/programs.

In-Home Care: Before reimbursement of actual expenses, the recipient shall verify that the final recipient can demonstrate the following:

1. that it has established program guidelines for the delivery of assisted living programs and services, referencing program guidelines and provincial/territorial programs, standards and guidelines;
2. that it has established management and accountability guidelines;
3. that it has supporting documentation relating to past program delivery;
4. in the case of a new provider, have 1. and 2. as minimum requirements.

Foster Care/Institutional Care: Before reimbursement of actual expenses, the recipient shall verify that the care facility can demonstrate the following:

1. that it operates according to the licensing/accreditation guidelines of the relevant province/territory;
2. that the care services for which the care facility is invoicing for service do not exceed Types I and II care, federal classification or equivalent.

Disabilities Initiative: In the case of public education and awareness activities, First Nation and other Aboriginal organizations/disability groups that engage in disability-related information services will receive funding subject to availability, based on project proposals. The applications for this funding will include clearly-defined objectives, a work plan and proposed outcomes, and should demonstrate that they are designed to improve the coordination and accessibility of existing programs and services for Indians and Inuit with disabilities ordinarily resident on reserve.

Social Development Program Management Infrastructure Initiative: Eligible recipients will confirm they are Chiefs and Councils of Indian Bands recognized by the Minister of DIAND and/or First Nation organizations with a population catchment of at least 1400. No two entities will be funded for the same purpose for the same population catchment area. In addition, the proposal under this initiative will need to meet the following criteria:

1. integrated delivery of multiple social development programs;
2. show interface/linkages with provincial/territorial and/or federal programs; and,
3. demonstrate the capacity to perform at least one of the following functions:
   - test the effectiveness of sectoral or block funding;
   - support training for community level staff;
   - standardized procedures and support for compliance;
   - integrated and strategic approach to public accountability;
   - establish professional standards or provide professional development services;
   - support policy adaptation and interpretation and program design;
   - support/provide coordinated case-management services;
   - develop conceptual frameworks for indicators or integrated databases to support statistical development;
   - modernize information technologies and develop integrated databases;
   - develop community based indicators of program performance;
   - report on data and analysis, and its importance to communities; or
   - data collection and management activities required for program monitoring, planning, reporting and evaluation; maintenance and upgrading of systems.

Federal/Provincial agreements:

With regard to the 1965 Ontario Agreement, Canada and Ontario shall enter into an annual funding transfer agreement, which will be inclusive of all applicable conditions set out in the Policy on Transfer Payments, and administered by DIAND.

Canada, or Canada jointly with Ontario, shall consult with each Indian band or their representative organization prior to extending any provincial/territorial welfare program or service. No program shall be extended without the Indian band or its representative organization having signified its concurrence.

With regard to the 1965 Ontario Agreement the Province of Ontario is required to demonstrate the eligibility of final recipients for funding, according to the criteria set out in this section.

With regard to the Alberta Agreement, Canada and Alberta shall enter into an annual funding transfer agreement, which will be inclusive of all applicable conditions set out in the Policy on Transfer Payments, and administered by DIAND

With regard to the Alberta Agreement, Alberta is responsible for funding and delivery of Social Services to all non-Indian residents of the Province. However, in view of the small number of Indians ordinarily residing on reserve in Redwood Meadows, Alberta will fund and deliver, or enter into agreements to deliver, Social Services to Indians residing in Redwood Meadows.

With regard to the Alberta Agreement, the Province of Alberta is required to demonstrate the eligibility of final recipients for funding, according to the criteria set out in this section.

Eligible Expenditures:

Income Assistance: Indigent residents may require financial assistance to cover basic and special needs – e.g., shelter, food; clothing; personal incidentals; special diets; essential household items; guide dogs; special transportation and moving costs; employment and training related child care and accommodation; transportation and equipment costs; children's winter and school clothing; employment-related relocation costs; funerals and burials; pre-employment assistance such as financial assistance for employment and training related child-care and accommodation, transportation and equipment costs; employment-related relocation costs, basic work experience, training in essential skills; counselling and life skills; employability counselling and job-seeking skills; transfers of income assistance of entitlements to training and work experience projects and other items identified in the reference provincial/territorial legislation. Amounts payable under this contribution program are based on the eligibility criteria and rate schedules of the reference province or territory. DIAND's contribution will be adjusted to reflect the provision of related federal or provincial/territorial benefits to avoid funding duplication.

In addition, for funeral and burials, DIAND may reimburse costs of funeral and burial services, and repatriation of body, if required (i.e. rail, air, and/or vehicle transportation service) should the final recipient meet the application requirements. Costs for family members to attend funerals are ineligible expenditures.

Amounts payable under this contribution program are based on the eligibility criteria and rate schedules of the reference province or territory. DIAND's contribution will be adjusted to reflect the provision of related federal or provincial/territorial benefits to avoid funding duplication.

Assisted Living:

In-home Care: financial assistance for non-medical personal care services. Services may include meal programs and meal preparation; menu planning; day programs; attendant care; short-term respite care; group care; light housekeeping; laundry; ironing;

mending; carrying water, wood carrying; home management; minor home maintenance; and, non-medical transportation.

Foster Care: per diem, based on the rate schedule of the reference province/territory; other eligible non-medical expenses associated with placement.

Institutional Care: standard accommodation; meals, including therapeutic diets; food; laundry; necessary emergency and routine treatment supplies; skilled care with professional supervision as needed and a planned program of social and recreational activities; clothing; special diets; age allowance; personal living allowance; and, guide dogs in foster homes, in Types I and II personal care homes on reserve, or at off-reserve care facilities operated in accordance with provincial/territorial laws and standards (Type I or Type II institutional care, as defined in Health Canada's Federal Classification System for Institutional Care).

The resident of an institution is expected to pay the provincial/territorial government established co-insurance or user fee for care and maintenance, and clothing and personal expenses to the extent his/her individual circumstances permit.

In Manitoba, institutions will be mandated to meet provincial standards, either through accreditation or through provincial licensing boards. This process will determine the appropriate funding body for the medical/health care component of institutional care.

This authority does not allow for payment of specialized medical items or minor capital items.

Service Delivery of Income Assistance and Assisted Living - The funds allocated to Chiefs and Councils of Indian Bands, First Nation organizations or provinces/territory are intended to cover service delivery which may include:

- administrative expenses, including salaries, travel, transportation, training for professional or paraprofessional administrators and case workers and related office costs;
- data collection and management activities required for program monitoring, planning, reporting and evaluation; maintenance and upgrading of systems;
- development and implementation of case management systems including structured client assessment, referral, job placement, re-assessment and counseling, training and professional support for administrators and case managers; and,
- development of operational policy and related documents and delivery options to encourage local integration of income support and labour market training (i.e., AHRDA holders), and where possible, education, health and social services necessary for the effective delivery and administration of the income assistance and assisted living programs.

Amounts payable under this contribution program are based on the service standards and rate schedules of the province or territory of residence. Provision will be made to ensure funding for eligible expenditures do not result in any funding duplication.

Disabilities Initiative Projects: Funding for projects to improve the coordination and accessibility of existing programs and services on reserve: advocacy, public awareness, regional workshops, and for organizations, any administrative costs related to the project (salaries and benefits for project personnel, professional and business services, equipment rentals, and materials and supplies for special projects, travel costs, and supplies not covered by the province of reference or other federal departments).

Social Development Program Management Infrastructure Initiative: The funds allocated to Chiefs and Councils of Indian Bands and/or First Nation organizations are intended to cover: salaries, wages and benefits, travel, accommodation, policy development and program modification or adaptation, instructional services, public education and information materials, office supplies; and office equipment, telecommunications, printing, professional services, other related office costs, and specific costs related to the following project activities:

- test the effectiveness of sectoral or block funding;
- support training for community level staff;
- standardized procedures and support for compliance;
- integrated and strategic approach to public accountability;
- establish professional standards or provide professional development services;
- support policy adaptation and interpretation and program design;
- support/provide coordinated case-management services;
- develop conceptual frameworks for indicators or integrated databases to support statistical development;
- modernize information technologies and develop integrated databases;
- develop community based indicators of program performance;
- report on data and analysis, and its importance to communities; or
- data collection and management activities required for program monitoring, planning, reporting and evaluation; maintenance and upgrading of systems.

Federal/Provincial agreements:

With regard to the 1965 Ontario Agreement, the provincial welfare program, which may be privately, municipally, or provincially operated, means a welfare program to which public money of the Province is or may be contributed, and is applicable or available generally to residents of the Province under various provincial *Acts*, as amended. Specifically, the Ontario aggregate welfare program is comprised of two components:

Financial Assistance Component: payments for the actual costs of general assistance, supplementary aid, and special assistance to meet basic and special needs; and, incentive allowances, as well as certain classes of employment and basic financial assistance, in accordance with provincial legislation and standards.

Service Component: payments for services, in accordance with provincial legislation and standards, to provide and administer general welfare assistance and certain classes of employment and basic financial assistance; services to children, including the protection and care of neglected children, the protection of children born out of wedlock, and adoption services; and day care services provided to children in day nurseries and the supervision of such day nurseries.

Specifically, such services are: determination of eligibility for financial assistance and employment assistance; casework and counselling; group work services; consultative and diagnostic services; social rehabilitation; self-care and self-support services; sheltered workshops; day care services for children of working mothers; protection and preventive services in the fields of child and family welfare and of aging; home care services for elderly persons and persons discharged from hospital; home care services for children and families; foster home and adoptive home-finding services; various kinds of group home services for children with special needs; and, staff training.

Service Component costs include salaries of direct service staff, including social workers and welfare workers as well as their supervisors and directors; salaries of specialists, including staff training officers, rehabilitation officers, anthropologists, sociologists, and psychologists; salaries of secretarial and stenographic staff; maintenance of Indian children with status in foster homes and other types of child welfare care, and other related costs including those of clothing necessary for the welfare of the child; and purchase of services from welfare agencies within the province, excepting the costs of salaries and wages of their clerical staff, administrative and accounting staff, and maintenance staff; renovations, construction and capital costs; office equipment; and rent, heat, light and power.

With regard to the Alberta Agreement, the arrangement provides for Social Services comparable to those provided by Alberta to other residents of the Province to be delivered to persons ordinarily resident on reserve. Specifically, Social Services for Indians and Indian Families ordinarily residing on a reserve under the arrangement comprise:

Social Assistance (Canada)/Supports for Independence (Alberta) – financial assistance directly to families and individuals in need of food, clothing, shelter and other needs essential to health and safety;

Child Welfare (Alberta) – services to ensure the survival, security and development of children, i.e. intake, investigation, apprehension and supervision orders, family support agreements, guardianship agreements and orders, foster care, residential services, and adoptions;

Child Care (Alberta) – financial assistance to day care facilities and low income families through the provision of operating allowances, low income family subsidies, administrative fees and funding for integration of handicapped children in day care;

Adult Services/Services to Persons with Disabilities (Alberta) – funds or provides residential care and professional services and supports the development of services designed to meet the special needs of adults with disabilities. These services include residential care, group homes, proprietor based residential services, supported living arrangements, outreach services, in-home and out-of-home relief services, case planning, and day programs;

Widow's Pension (Alberta) – non-social assistance, income tested financial benefits to eligible widows and widowers;

Assured Income for the Severely Handicapped (Alberta) – income tested alternative to social allowance to provide an assured income for the severely and permanently handicapped;

Alberta Family & Community Support Services (Alberta) – funding to municipalities and Bands to support services and activities which strengthen the family and the community;

Office for the Prevention of Family Violence (Alberta) – support and leadership in developing effective approaches to the problem of family violence in Alberta including information, education, consultation, community liaison, coordination of services, and limited funds for prevention projects;

Family Relations (Alberta) – assistance for families to resolve legal issues related to marital breakdown, including disputes over the custody/access of children, help in establishing paternity of children born out of wedlock and in obtaining appropriate maintenance orders and agreements;

Women's Emergency Shelters (Alberta) – short-term safe and supportive environments provided for abused women and their children and to other women in crisis;

Vocational Support Services/Services to Persons with Disabilities (Alberta) – assistance for individuals with disabilities to participate in and contribute to the social and economic aspects of the community on an equal basis with all citizens, including

developmental and isolation prevention services, day programs, employment preparation services, and placement support services;

Alberta Assured Income Plan (Alberta) – automatic income supplement for seniors in Alberta who are in receipt of the federal Guaranteed Income Supplement or the federal Extended Spouse's Allowance;

Shelters for Homeless Adults (Alberta) – meals and temporary accommodation for adults who are employable but temporarily unemployed and in need of assistance, providing indigent women and men a sheltered environment and help to regain and maintain their health and social functioning skills and emergency accommodation for transients; and,

Employment Support Services (Canada) – employment support services.

Maximum Amounts Payable under this contribution program are based on the service standards and rate schedules of the province or territory of residence. The maximum contribution agreement with an eligible recipient is $16 million. Maximum amounts payable may be increased annually to meet actual need by up to two percent (2%).

Basic and Special Needs – In 2003-2004, payments to final recipients are limited to covering the expected direct costs, as outlined in the approved applications, up to $50,000 per eligible final recipient per year for the costs of basic, special and pre-employment needs as listed in eligible expenditures.

For funerals and burials the maximum amounts payable under this contribution program are based on the service standards and rates set out in the regional manual. Payments are limited to covering the expected direct costs, as outlined in the approved applications for funeral and burial assistance up to $3,500 per recipient for funeral and burial expenses, and $6000 for repatriation of the body, if required.

Service Delivery – up to $650,000 per eligible recipient per year, to cover costs of delivering income assistance and assisted living programs and services.

Assisted Living:

In-Home Care: up to $175,000 annually based on a fixed per diem for the level of personal care support specified by social service and/or health professionals.

Foster Care/Institutional Care: for individual final recipients, up to $175,000 annually based on a fixed per diem for Foster Care/Institutional Care. However, based on the largest facility in the country using a fixed per diem rate, the maximum contribution agreement with a single recipient is $3,019,080 per year (50 final recipients x 365 days x $165.44 per diem).

Disabilities Initiative Projects: up to $160,000 per eligible recipient per project per year.

For the Social Development Program Management Infrastructure Initiative, the initiative will be proposal-based with a maximum per project of $400,000.

Federal/Provincial agreements:

With regard to the 1965 Ontario Agreement, the maximum contribution for a federal/provincial cost-sharing arrangement to provide provincial welfare programs and services to Indians on reserves in Ontario is $240 million. Maximum amounts payable under this contribution program are based on the service standards and rate schedules of the Province of Ontario.

With regard to the Alberta Agreement, the maximum contribution for a federal/provincial cost-sharing arrangement to provide provincial Social Services to reserve residents in Alberta is $28 million.

Where the amount paid by Canada for Social Services delivered to non-Indians ordinarily residing on a reserve exceeds five percent (5%) of the amount paid by Canada for all Social Services on that reserve, Canada may require Alberta to reimburse it for all amounts paid for Social Services delivered to non-Indians ordinarily residing on reserve. This five percent (5%) does not include amounts paid to deliver Social Services to non-Indian members of an Indian family.

Where the amount paid by Alberta for Social Services delivered to Indian residents of Redwood Meadows exceeds five percent (5%) of the amount paid by Alberta for all Social Services in Redwood Meadows, Alberta may require Canada to reimburse it for all amounts paid for Social Services delivered to Indians residing in Redwood Meadows.

Repayable Contributions: This provision is not applicable because no business will receive contributions which are intended to generate profits or to increase the value of the business.

With regard to the 1965 Ontario Agreement and the Alberta Agreement, these provisions do not apply because the primary aim of payments is income support and income stabilization of individuals (section 7.8.2 of the Policy on Transfer Payments).

Due Diligence: DIAND has procedures and resources for ensuring due diligence in approving these contributions, verifying eligibility and entitlement, and for managing and administering the program.

Approval: Authority to sign and amend agreements is delegated to directors responsible for these programs.

With regard to the 1965 Ontario Agreement, the Minister may amend the schedule to the agreement. Amendments to the agreement itself require an Order in Council. Authority to enter into an annual funding agreement and approve payments is delegated to the Regional Director General.

With regard to the Alberta Agreement, the Deputy Minister shall sign all amendments to the Alberta Agreement. Authority to enter into an annual funding agreement and approve payments is delegated to the Regional Director General.

Basis and Timing of Payments: Payments are made monthly based on a cash flow forecast from the recipient or by the reimbursement of actual costs. Where advance payments are necessary, they are limited to the immediate cash requirements of the recipient and do not exceed the payment frequency set out in the provisions of the Cash Management Policy.

DIAND is seeking an exemption to the requirements in sections 7.6.3 and 7.6.4 of the Policy on Transfer Payments on holdback provisions, on the basis that contributions for income assistance and assisted living services to residents of reserves are a major component of an ongoing funding relationship between DIAND and recognized Indian bands. This expectation of an ongoing funding relationship is sufficient incentive for recipients to account fully for all expenditures incurred. It also helps to minimize the risk associated with the recipient not using the funds for the purpose contributed. Contribution agreements, Comprehensive Funding Agreements and Flexible Transfer Payments, therefore do not have explicit holdback provisions. Instead, recipients are advised that "funding otherwise payable under this Arrangement may be withheld by the Minister, if the Audit and reports are not provided by the Council to the Minister as required under this Arrangement or its predecessor. Any amounts so withheld shall be paid by the Minister to the Council, within sixty (60) days of the submission of the reports."

With regard to the 1965 Ontario Agreement, Ontario is required to provide a cash flow forecast for the fiscal year. Once the estimated budget is approved, a one-month cash advance is paid to cover immediate requirements at the beginning of each fiscal year, with monthly installments thereafter. Advances include a ten percent (10%) holdback, which accumulates as an accounts payable that is released upon the completion of the annual Provincial Audit on the funding agreement and related billings. Adjustments for surplus or deficits are made based upon the final expense determination from the Provincial Audit.

With regard to the Alberta Agreement, Alberta will deliver to Canada a budget of anticipated expenditures, prior to the commencement of each fiscal year. Upon acceptance, Canada and Alberta will enter into an annual funding arrangement, which will flow funds to Alberta monthly, at a rate equivalent to one twelfth (1/12) of the accepted expenditure budget, and subject to quarterly adjustments basis of invoices submitted.

The final amounts payable to Alberta will be adjusted in accordance with invoices received, or year-end estimates, within thirty (30) days of the end of the fiscal year. Canada will make payment within thirty (30) days of receipt of either invoices or year-end estimates acceptable to Canada. In the event that Alberta is reimbursed in accordance with a year-end estimate, and the amounts of the invoices subsequently received by Canada are less than the amounts contained in the year-end estimate, Alberta will reimburse Canada for the overpayment. These conditions will be set out in the annual funding arrangement.

Funding Level Changes: DIAND is seeking an exemption to the requirements in section 7.3.6 of the Policy on Transfer Payments on provisions in the event that departmental funding levels are changed by Parliament, on the basis that funding agreements already contain a requirement that any payment made is subject to there being an appropriation by Parliament for the fiscal year in which the payment is made. This clause is based on section 40 of the *Financial Administration Act*, which also provides sufficient authority for DIAND to reduce or cancel agreements and payments in the event that Parliament changes departmental funding levels.

Duration: These terms and conditions are in effect until March 31, 2006.

With regard to the 1965 Ontario Agreement, DIAND is seeking an exemption to the requirements in section 7.3.7 of the Policy on Transfer Payments on limitations to the duration of DIAND's program spending authority, on the basis that the 1965 Ontario Agreement has a valid Order in Council in place with no time limitation. Further, the 1965 Ontario Agreement has appropriate wording included in the agreement, which would allow termination with 12 months notice.

With regard to the Alberta Agreement, DIAND is seeking an exemption to the requirements in section 7.3.7 of the Policy on Transfer Payments on limitations to the duration of DIAND's program spending authority, on the basis that the DIAND is seeking an Order in Council herein, with no time limitation. Further, the Alberta Agreement has appropriate wording included in the agreement, which would allow termination with twelve (12) months notice.

Results-based Management and Accountability Framework and **Risk-Based Audit Framework:** DIAND is seeking an exception to section 8.1.1 (clauses xv and xvi) of the Treasury Board Policy on Transfer Payments, the requirement for the Results-based Management and Accountability Framework (RMAF) and the Risk-Based Audit Framework (RBAF). This request is premised on the fact that DIAND is currently in the process of finalizing a review of all its A-base budget programs and the organizational structure used to manage and administer these programs. As a result of this review, it is envisaged that the department's management and accountability structure will fundamentally change by the creation of a Regional Operations Support Sector. This new

sector will become the focal point for DIAND's management efforts to ensure that the guiding principles outlined in the Treasury Board's report entitled *Results for Canadians*, the Treasury Board Policy on Transfer Payments as well as Treasury Board's Modern Comptrollership initiative will be fully implemented.

It is anticipated that the results of this A-base review, and the resulting departmental re-structuring, will be finalized by late August or early September. At that time, the social development program's RMAF and RBAF reports can be finalized in a manner that facilitates strategic alignment with the department's revised management and accountability structure. This will facilitate integration of the social development management framework into a planned umbrella RMAF and RBAF for the entire department, which will reflect the new departmental management and accountability structure.

Other: DIAND has the capacity to manage this program, for which the planned direct expenditure in 2003-2004 is $478 million in Vote 15 (Grants and Contributions) in DIAND's reference level.